Sistema Smart Technologies Limited

ANNUAL REPORT

2020-2021

Contents

DIRECTORS' PROFILE

Sergey Savchenko
Director

Mr. Sergey Savchenko, aged 63 years, is the Chairman of the Company. He holds a PhD degree in Economics and a Masters' degree in Economics from the Lomonosov Moscow State University and an MBA from Duke University, Fuqua Business School in the United States. He currently heads Sistema Asia Pte. Ltd. as its CEO and is also a director on the boards of Sistema Asia Fund Pte. Ltd., Sistema Asia Capital Pte. Ltd and Segezha International Pte. Ltd. He has more than 30 years' rich experience with different companies encompassing Finance, Investment, Strategy and Management fields. Mr. Sergey Savchenko has been associated with the Company since September 2008. Prior to joining Sistema Asia Pte. Ltd., he served the Company as its CEO (from September 2015 to September 2018) and as its CFO (from September 2008 to September 2015). Before joining the Company in 2008, he was the Deputy CEO in Investment Group "Aton". From 1990-1999 he worked with Bain Link (Moscow Office of Bain & Co.) During 1999-2007, he worked on various positions involving Finance, Investment & Strategy, with PJSFC Sistema, including financial director and VP-Finance of the Group.

Bharat Patel
Director

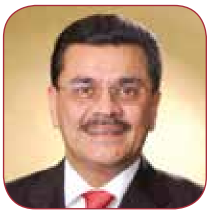
Mr. Bharat V Patel, aged 76 years, holds MA in Economics from the University of Notre Dame, USA and MBA in Marketing from the University of Michigan, USA. He is the former Chairman of Procter & Gamble Hygiene and Health Care Ltd., and presently in the Executive Committee or Boards of Indian Society of Advertisers (ISA), World Federation of Advertisers (WFA), Advertising Standards Council of India (ASCI), Broadcast Audience Research Council (BARC), Aditya Birla Sunlife AMC Limited and Sasken Technologies Limited. He has over 40 years of varied experience in the field of advertising, marketing, sales, exports and operations.

Larisa Gorbatova
Director

Mrs. Larisa Gorbatova, aged 56 years, graduated in 1986 from the economic faculty of the Moscow State University named after M. Lomonosov. In 1990 she received a PhD in Economics in the same faculty. From 1991 to 1995 she served as a senior research fellow in the All-Russian Institute of the Agricultural Economy. In 1995 she was appointed Head of Financial Information and Statistics Department in the Federal Commission on the Securities Market (FCSM). In 1998 she joined International Accounting Standards Committee based in London, UK, working in the position of International Accounting Fellow. Upon returning from London she served as a Head of the Financial Information and Reporting Division at FCSM. From 2001 to 2002 she served as a Deputy Head of the Accounting Methodology Department in the Russian Ministry of Finance. From 2002 to 2004 she served as a Chief Researcher in the Center for Securities Market Development. From 2004 to 2007 she served as Head of IFRS Reporting in the Polyus / Polyus Gold OJSC. In 2007 she joined Sistema OJSFC as Head of Corporate Reporting Department, where she stays presently at the position of Managing Director of International Reporting. She is also on the Boards of Directors of Bashkirian Power Grid Company JSC and Sistema Finance.

Neera Sharma
WTD (CEO)

Mrs. Neera Sharma, aged 48 years, is the Chief Executive Officer of the Company. She earned a Bachelors' degree in law from the Panjab University in 1997 and also completed her MBA in Finance from Amity Business School in 2004. She has completed her Post Graduate Program in Management for Executives (UCLA PGPX) from University of California Los Angeles in July 2019. Neera has strong functional expertise and a well-rounded legal experience of nearly two decades having worked with leading companies like DCM Limited, HCL, Idea Cellular limited, Emaar MGF Land Private Limited, HFCL Infotel and Dishnet Wireless Limited (Aircel). She has been associated with the Company since 2008 and as the Chief Legal Officer, advises the Company on the entire gamut of Legal, regulatory and Compliance matters. She has a sound commercial acumen, a strong grip on technical issues, comfortable with cost-benefit analysis and can conduct highly productive meetings while keeping them reasonably brief. She has been conferred with the prestigious General Counsel of the Year Award in 2016 by Legal Era and has been facilitated with Women Leadership Excellence Awards in Telecommunications by Time Ascent in 2018.



Vikram Kaushik
Director

Mr. Vikram Kaushik has over 40 years of experience in managing consumer-facing businesses. He earned his Master's degree from St. Stephen's College in Delhi and joined Hindustan Unilever as a Management trainee. He worked for Unilever for more than 16 years on different product categories both in India and in Asia, Europe and Africa.

After a short stint as Managing Director of a leading advertising agency he returned to consumer marketing as Vice President Marketing and Exports at Britannia, a joint venture with Groupe Danone and India's largest foods company. In 2000, he became a Director on the Board of Colgate Palmolive and was responsible for a major turnaround for the brand Colgate in India.

Thereafter, as the founder MD & CEO of Tata Sky from 2004 till his retirement in December 2010 he played a pioneering role in establishing the DTH (satellite television) industry in India.

He was an advisor to Pricewaterhouse (2011-2016), and was an advisor on brand strategy to Voltas, a leading Tata Group company from 2011-2017.

He has served on the Board of Prasar Bharati, India's public service broadcaster. He was appointed as a member of the Sub-Committee for Innovation in Media under the aegis of the Prime Minister's Office and the I&B Ministry. He was also a member of the Pitroda Committee on Restructuring Public Service Broadcasting.

He was also on the Board of several international companies including Guernsey-based India Capital Growth Fund in the UK (2011-2016) and Vaibhav Global Limited, a global telemarketing company selling jewellery in the US and the UK (2012-2016). He served on the Board of Hemas, a leading FMCG company in Srilanka(2017-2021).

He has served on several industry bodies such as the Advertising Standards Council (ASCI), as a Member of the Broadcast Committee of the Confederation of Indian Industry (CII), and as a member of the Convergence Committee of FICCI.

Mr. Kaushik also mentors two new technology startups in Bangalore in the TV and broadband space.

In 2016 he became a Fellow of the Advanced Leadership Initiative at Harvard. Since his return from Harvard in 2017 he is working across markets and categories both in India and overseas focusing on helping businesses amplify a higher purpose.

Mr. Oleg Dzenenko
Director

Mr. Oleg Dzenenko, aged about 32 years, studied International Economic from Plekhanov Russian University of Economics and from Moscow International Higher Business School MIRBIS between 2005-2010. In his initial years of employment, Mr. Dzenenko worked with BBDO Group, Price Waterhouse Coopers and EVLI. He served as Deputy Head of Corporate Finance Department in the Promsvyazbank from 2012-2014. In 2014 he joined Sistema, where he presently serving at the position of Investment Director.

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twenty-sixth (26th) Annual Report on the business and operations of the Company together with Audited Financial Statement for the financial year ended 31st March 2021.

FINANCIAL SUMMARY AND HIGHLIGHTS

(Amount in Rs. Million)

Particulars	Current Year March 31, 2021	Previous Year March 31, 2020
Income		
Revenue	58	141
Other Income	172	207
Total Income	**230**	**348**
Expenditure		
Purchase of stock in trade	2	44
Selling, General and Other Operating cost	245	325
Total Operating Expenditure	**247**	**369**
Earning/(loss) before finance and depreciation expenses (EBITDA).	**(17)**	**(21)**
Finance Expenses	22,745	20,187
Depreciation and Amortization	1	5
Exceptional item	-	590
Net Loss	**(22,763)**	**(20,803)**
Net Loss for the year	**(22,763)**	**(20,803)**
Re-measurement gain/(loss) on defined benefit plans	(0)	(0)
Re-measurement gain/(loss) on investment	(0)	(0)
Total Comprehensive loss for the year	**(22,763)**	**(20,803)**

STATE OF COMPANY'S AFFAIRS

During the year ended March 31, 2021, your Company recorded a service revenue of Rs. 58 million as against a service revenue of Rs. 141 million in the previous year. The revenue has decreased by Rs. 83 million from previous fiscal.

Your Company's Earning/(loss) before finance and depreciation expenses ("EBITDA") for the year ended March 31, 2021 stood at Rs. 17 million (Loss) as against an EBITDA loss of Rs. 21 million during the last year. The Net Loss for the year increased to Rs. 22,763 million as against Net Loss of Rs. 20,803 million during previous fiscal. The losses have increased mainly due to increase in finance cost (interest accrued on financial liability portion of Redeemable preference shares).

DIVIDEND

In view of the losses incurred during the year under review, your Directors do not recommend any dividend on equity shares.

SHARE CAPITAL

There has been no change in equity share capital of the Company during the financial year 2020-21. The breakup of equity share capital along with foreign and Indian holding is as under:-

Name of the Shareholders	As at 31 March 2021		As at 31 March 2020	
	No. in millions	% holding in the class	No. in millions	% holding in the class
Equity shares of Rs 10 each, fully paid				
Sistema PJSFC, the holding company	1810	76%	1810	76%
Russian Federation	547	23%	547	23%
Others	36	2%	36	2%
Total	**2394**	**100%**	**2394**	**100%**

As your company operates in services sector, 100% FDI is allowed under the automatic route.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on Management Discussion and Analysis on the business of the Company, Discussion and Analysis of Company's Financial Statements and Operational Performance, Opportunities, Risks and Threats, etc., is presented in a separate section and forms part of this Directors' Report.

CORPORATE GOVERNANCE

The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term shareholders' value. The Company is committed to maximum transparency in all its dealings and places prominence on business ethics.

Being an unlisted entity, the legal provisions of Corporate Governance such as relevant provisions of the LODR are not applicable to the Company. However, the Company voluntarily follows the standards of Corporate Governance which are, to the extent possible, in line with the internationally accepted standards of Best Practices. The Company is committed to establish best practices of Corporate Governance and to this end the Board has already approved the Company's Corporate Governance Strategy and the same is being implemented in a phased manner.

In furtherance of its quest for adoption of best corporate governance practices, your Company has taken initiatives of voluntarily publishing reports on Corporate Governance and Management Discussion and Analysis in the Annual Report. These Reports are annexed and form part of this Directors' Report.

Further, following information as are required to be disclosed in the Board's Report have been included in the Corporate Governance Report which form an integral part of Directors' report:

- Statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors.
- Number of Board Meetings held during the year.
- Statement relating to Development and Implementation of Risk Management Policy including identification of key risks.
- Details of Establishment of Vigil Mechanism.
- Details of Remuneration Policy.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed to make a difference within the communities where it operates and takes up an active responsibility to empower local communities to help them achieve their ambitions. The Company believes in making its contribution towards progressive socio-economic change, especially in the fields of Health and Education.

The Corporate Social Responsibility Committee of the Company presently comprises of Mr. Sergey Savchenko - Director, Mr. Vikram Kaushik - Non Executive Independent Director and Mr. Bharat Patel- Non Executive Independent Director. CSR Committee of the Board has developed a CSR Policy in the fields of Health, Education and eradicating hunger.

The contents of the CSR Policy are described in brief, in the following para.

The vision of CSR policy states that SSTL empowers people to pursue their purpose in a modern networked world. The policy is a comprehensive tool-kit for planning and execution of CSR projects. The policy takes into account the needs of local communities in India and also draws inspiration from Sistema's philosophy of 'Lift To The Future'. The execution framework of the CSR Policy has been extended to include philanthropic activities as well as contribution towards disaster relief.

The Company has also adopted Corporate Social Responsibility Strategy to address the CSR issue effectively and to ensure that business is conducted with an innate sense of Social Responsibility.

The provisions of Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the provisions requiring mandatory spend of 2% of Average Net Profit on the CSR Activities is not applicable on the Company as the Company has not earned any profits during immediately preceding 3 financial years.

However, the absence of profits has not been an impediment in the CSR activities of the Company. Various steps taken by the company pursuant to CSR policy are described in detail in following paras.

During the year under review, a camp was organized for distribution of food packets and dry ration to the needy who were suffering due the COVID-19 Pandemic. SSTL employees volunteered and contributed to this noble cause.

Masks were distributed to the underprivileged children of the Senior Secondary School in Pinani. The students were also made aware of the perils of the COVID and COVID appropriate behaviour

Employee volunteerism was the key aspect of these programs as some of the SSTL employees associated with Sabhavana Foundation chose to personally visit the school to distribute masks.

An annual report on the CSR activities in prescribed format has also been attached as Annexure- A to this Report.

SUBSIDIARY COMPANY

Your Company has one wholly owned subsidiary, namely, Sistema Internet Services Limited (previously known as 'Shyam Internet Services Limited').

During the year under review, no other company became or ceased to be the subsidiary Company, Joint Venture Company or Associate of your Company.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the Financial Year under review, the following changes occurred in the Board of Directors/ Key Managerial Personnel of the Company: -

Mr. Oleg Dzenenko (DIN: 08698001) was appointed an Additional Director on the Board of the Company with effect from 7th May 2020 in terms of Section 161 of Companies Act, 2013.

Further, the Board in its meeting held on July 29, 2020, approved the re-appointment of Mrs. Neera Sharma as the CEO (Whole Time Director) of the Company for a further period of two (2) years from 01.11.2020 up to 31.10.2022 and recommended the same for the approval of the shareholders of the Company.

In the 25th Annual General Meeting of the Company held on September 08, 2020, the shareholders of the Company approved:

(i) the appointment of Mr. Oleg Dzenenko as a regular Director of the Company; and

(ii) the re-appointment of Mrs. Neera Sharma (DIN 00975300) as 'CEO' (Whole Time Director) for a further period of two (2) years from 01.11.2020 up to 31.10.2022.

Except as mentioned above, no other Directors or Key Managerial Personnel were appointed/re-appointed or resigned during the financial year.

Further, pursuant to the provisions of Section 149 of the Companies Act, 2013, all Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in prescribed Form MGT-9 is annexed with this report as Annexure-B.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under the provisions of Section 134 (5) of the Companies Act, 2013, the Directors confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS

The term of office of M/s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors of the Company expires at the conclusion of ensuing Annual General Meeting. The Board recommends re-appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditor of the Company from the conclusion of ensuing 26th Annual General Meeting till the conclusion of 28th Annual General Meeting. The Company has received necessary notice from the Auditors confirming their eligibility and willingness to accept the office of Statutory Auditors, if re-appointed. The Audit Committee has also recommended the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as the Statutory Auditors.

In terms of provisions of Section 139 of the Companies Act, 2013, M/s. Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No.: 015125N) was appointed as Statutory Auditors of the Company for a period of 5 (five) consecutive Financial years i.e., from the Financial Year 2016-17 up to the Financial Year 2020-21, at the 21st Annual General Meeting of the Company held on 29th September 2016 which was subject to the ratification by the members of the Company at each of the intervening Annual General Meetings as per then prevailing law.

The present Statutory Auditors of the Company, i.e., M/s. Deloitte Haskins & Sells, Chartered Accountants, whose office is about to conclude at the ensuing Annual General Meeting and the said firm of Chartered Accountants being eligible for re-appointment have offered themselves for re-appointment as the Statutory Auditors of the Company for next two Financial Years i.e. 2021-22 and 2022-23.

Accordingly, pursuant to the provisions of Section 139 read with Section 141 of the Companies Act, 2013, it is recommended to the Members to re-appoint M/s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors of the Company at the ensuing Annual General Meeting for a further period of two Financial Years i.e. 2021-22 and 2022-23 and they shall hold office from the conclusion of the forthcoming (26th) Annual General Meeting till the conclusion of 28th Annual General Meeting of the Company to be held in the Year 2023.

AUDITORS' REPORT

M/s. Deloitte Haskins & Sells, Chartered Accountants (Registration No. 015125N) were appointed as Auditors of the Company, for a term of 5 (five) consecutive years, at the 21st Annual General Meeting of the Company held on September 29, 2016. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The auditors have drawn attention towards the uncertainties related to the estimation of license fees and spectrum usage charges on Adjusted Gross Revenue (AGR Liability) due to matter being sub-judice and is pending at the Hon'ble Supreme Court and transfer of AGR liability to RCOM under merger scheme.

As per Scheme of arrangement approved by High Court of Mumbai and Rajasthan, DOT letter dated 20 October 2017 approving SCHEME and legal opinion obtained by the Company, AGR liability up to Rs. 2,214 for licenses quashed in 2012 and complete AGR liability for 9 operating circles has been transferred to RCOM under SCHEME.

The above observation has been suitably explained by management in the financial statements.

The other observation in the Auditor's Report and the comments made by Auditors are self-explanatory and the same has been explained by the management in the financial statements.

COST AUDITORS

The requirement of Cost Audit as specified under section 148 of the Companies Act, 2013 is not applicable to the Company.

SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

In compliance of the Section 204 of the Companies Act 2013, the Board had appointed M/s. DWIVEDI & ASSOCIATES as the Secretarial Auditor to conduct the Secretarial Audit of the Company for the financial year ending 31st March 2021. The Secretarial Audit Report for the financial year 2020-21 is attached as **Annexure–C**. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

During the financial year 2020-21, there were no significant or material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and operations of the Company in the future.

COMPIANCE WITH SECRETARIAL STANDARDS

Your Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as per Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given below:

a) Conservation of Energy

Your Company being a service provider requires minimal energy consumption and every effort has been made to ensure the optimal use of energy, avoid waste and conserve energy as far as possible.

b) Technology Absorption, Adaptation and Innovation

The Company has not imported technical know-how. Your Company has not established any separate R&D facilities.

c) Foreign Exchange Earnings & Outgo

The details of earning and expenditures incurred in foreign exchange are as under:

(Rupees in Million)

Earning in Foreign Currency (on accrual-basis)	**March 31, 2021**	**March 31, 2020**
Revenue from sales and services	13	4
TOTAL	**13**	**4**

(Rupees in Million)

Expenditure in Foreign Currency (on accrual-basis)	**March 31, 2021**	**March 31, 2020**
Salaries, wages and bonus	-	11
Other Services	0	0
TOTAL	**0**	**11**

PARTICULARS OF EMPLOYEES

A statement of particulars of employees as required in accordance with the provisions of Section 197 (12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time is annexed as Annexure-D and forms part of this report.

DEPOSITS

The Company has not accepted any deposit covered under chapter V of the Companies Act 2013.

PARTICULARS OF CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

There were no contracts or arrangements entered into by the Company which attract the provisions of the Section 188 of the Companies Act, 2013. However, all the transactions with related parties were at arm's length basis and entered in the ordinary course of business by the Company. All such transactions were periodically placed before the Audit Committee for its approval.

Particular of contracts and arrangements with related parties as required pursuant to Section 134 of the Companies Ac 2013 read with Rule 3 of the Companies (Accounts) Rules 2014 are given in in prescribed form AOC- 2 and attached to this report as **Annexure-E.**

GENERAL DISCLOSURE

- Company has not granted any loan, guarantee or made any investment under Section 186 of the Companies Act, 2013.
- In view of the losses incurred during the year, Board does not propose to transfer any amount to any reserves.
- No material changes and commitments occurred between the end of financial year 2020-21 and the date of this report which may affect the financial position of the Company.
- No significant and material order has been passed by the regulator/court/tribunal which may impact the going concern and company's operations in future.
- The Company has laid down adequate internal financial controls over financial reporting to be followed by the Company and such internal financial controls were operating effectively.

ACKNOWLEDGEMENT

Your Directors place on record their gratitude to Bankers, Financial Institutions, Vendors, Dealers and Business Associates for the assistance, co-operation and encouragement they have extended to the Company.

Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and valuable assistance received from Sistema PJSFC and the Russian Federation as major shareholders in ensuring an excellent all around operational performance.

The Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution to the Company's performance. The Directors are also thankful to the shareholders for their continued patronage.

For and on behalf of the Board

Sergey Savchenko
CHAIRMAN
DIN: 02891905

Place: Singapore
Date: August 04, 2021

ANNEXURE - A

Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	: The Focus of the Company, through its CSR initiatives is toward community healthcare, internet enabled learning (Mission Education), corporate philanthropy and disaster relief.
2.	The Composition of the CSR Committee.	: The Committee comprises of 3 Directors - Mr. Sergey Savchenko - Director, Mr. Vikram Kaushik – Non-Executive Independent Director and Mr. Bharat Patel – Non-Executive Independent Director.
3.	Average net profit of the company for last three financial years	: Nil
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	: Not Applicable as Company does not have profits during immediately preceding 3 financial years.
5.	a) Details of CSR spent during the financial year.	: Not Applicable
	b) Total amount to be spent for the financial year; Amount unspent, if any;	: Not Applicable
	c) Manner in which the amount spent during the financial year is detailed below	: Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	**CSR project or activity identified**	**Sector in which the Project is covered**	**Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads**	**Cumulative expenditure upto to the reporting period**	**Amount spent : Direct or through implementing agency**
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

   The provisions requiring mandatory spend of 2% of Average Net Profit on the CSR Activities is not applicable on the Company as the Company has not earned any profits during immediately preceding 3 financial years.

7. The responsibility statement of the CSR Committee:

   "The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company."

Neera Sharma	**Sergey Savchenko**
Chief Executive Officer	**CHAIRMAN**
DIN: 00975300	DIN: 02891905

Place: Singapore
Date: August 04, 2021

ANNEXURE - B

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2021

[Pursuant to section 92(3)of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(I)	CIN	U74110RJ1995PLC017779
(II)	Registration Date	20.04.1995
(III)	Name of the Company	Sistema Smart Technologies Ltd.
(IV)	Category/Sub-Category of the Company	Company having share capital
(V)	Address of the Registered office and contact details	121, Doctors Colony, Near DCM Ajmer Road, Jaipur 302021, Rajasthan, India. Ph: 0141-4919958
(VI)	Whether listed company Yes/No	NO
(VII)	Name, Address and Contact details of Registrar and Transfer Agent	Kfin Technologies Pvt. Ltd. Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 008 Tel No.: 040-67162222 Fax No.:040-23420814 E-mail ID : einward.ris@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

SL.NO.	Name and Description of main products/services	NIC Code of the	% to total turnover of the company
1	Other Business Support Service Activities	82990	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Name and address of the company	Sistema Internet Services Limited 36, 2nd Floor, Gola Market, Near,Golcha Cinema, Darya Ganj New Delhi 110002	Sistema PJSFC 13, Mokhovaya Street, Moscow -125009, Russia.
CIN	U74999DL2000PLC10562	Not Applicable (Foreign Company)
Holding/ subsidiary/associate	Subsidiary	Holding
% of shares held	100%	75.62%
Applicable Section	Section 2(87)(ii)	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
Total	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total shareholding of Promoter (A)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
(2) FOREIGN									
(a)NRIs-Individuals									
(b)Other-Individuals									
(c) Bodies Corporate	2357602318	0	2357602318	98.48	2357602318	0	2357602318	98.48	0.00
(d)Banks / FI									
(e)Any Others									
Sub-Total A(2)	**2357602318**	**0**	**2357602318**	**98.48**	**2357602318**	**0**	**2357602318**	**98.48**	**98.48**
Total A=A(1)+A(2)	**2357602318**	**0**	**2357602318**	**98.48**	**2357602318**	**0**	**2357602318**	**98.48**	**98.48**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	23026	23026	0	0	23026	23026	0.00	0.00
b) Banks / FI	29019	0	29019	0	27829	0	27829	0.00	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	3795	7	3802	0.00	3795	7	3802	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	**31624**	**23033**	**55847**	**0.00**	**31624**	**23033**	**54657**	**0.00**	**0.00**
2. Non-Institutions									
a) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
i) Indian	4118405	794	4119199	0.17	4071686	794	4072480	0.17	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
iii) Others (SWAP	0	0	0	0.00					
b) Individuals	0	0	0	0.00	0	0	0	0	0.00
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	16995530	973845	17969375	0.75	17018111	971463	17989574	0.75	0.00
ii) Individual share -holders holding nominal share capital in excess of Rs 1 lakh	13979575	156219	14135794	0.59	13984339	156219	14140558	0.59	0.00
c) Others (specify)									
Non Resident Indians	164287	0	164287	0.01	185725	0	185725	0.01	0.00
Overseas Corporate Bodies	4764	0	4764	0.00	4764	0	4764	0.00	0.00
Foreign Banks	794	0	794	0.00	794	0	794	0.00	0.00
Clearing Members	10798	0	10798	0.00	11512	0	11512	0.00	0.00
Trusts	2779	0	2779	0.00	3573	0	3573	0.00	0.00
Foreign Bodies	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2):-	**35276932**	**1130858**	**36407790**	**1.52**	**35280504**	**1128476**	**36408980**	**1.52**	**0.00**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**35309746**	**1153891**	**36463637**	**1.52**	**35312128**	**1151509**	**36463637**	**1.52**	**0.00**
C. Shares held by Custodian for GDRs &ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C)	**2392912064**	**1153891**	**2394065955**	**100.00**	**2392914446**	**1151509**	**2394065955**	**100.00**	**0.00**

ii) Shareholding of Promoters:

SN	Shareholder's Name	Shareholding at the beginning of the year 2020 [As on 31-March-2020]			Shareholding at the end of the year 2021 [As on 31-March-2021]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	JOINT STOCK PUBLIC FINANCIAL CORPORATION SISTEMA	1810289400	75.62	0.00	1810289400	75.62	0.00	0.00

iii) Change in Promoters' Shareholding (please specify, if there is no change):

SN	Particulars	Shareholding at the beginning of the year 2020 [As on 31-March-2020]		Cumulative Shareholding during the year 2021 [As on 31-March-2021]	
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares
1	JOINT STOCK PUBLIC FINANCIAL CORPORATION SISTEMA	1810289400	75.62	1810289400	75.62

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	**For Each of the Top 10 Shareholders**	Shareholding at the beginning of the year 2020 [As on 31-March-2020]		Cumulative Shareholding during the Year 2021 [As on 31-March-2021]	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	FEDERAL AGENCY FOR STATE PROPERTY MANAGEMENT	547312918	22.86	547312918	22.86
2	ISHVAM PORTFOLIO PRIVATE LIMITED	562892	0.02	562892	0.02
3	SUDHA ASHWIN SHAH	547066	0.02	547066	0.02
4	ASHWIN SHANTILAL SHAH	516100	0.02	516100	0.02
5	KAMLESH HARSHAD SHAH	516100	0.02	516100	0.02
6	JINDAL SECURITIES PVT LTD	463282	0.02	463282	0.02
7	SUSHIL KUMAR GUPTA	422500	0.02	422500	0.02
8	NARENDER KUMAR ARORA	329851	0.01	329851	0.01
9	DHANPATI DEVI	262528	0.01	262528	0.01
10	VIJAY GUPTA	260227	0.01	260227	0.01

v) Shareholding of Directors and Key Managerial Personnel:

SN	**Shareholding of each Directors and each Key Managerial Personnel**	Shareholding at the beginning of the year 2020		Cumulative Shareholding during the Year 2021	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Vinay Mittal	101	0.00	101	0.00
2	Neera Sharma	1	0.00	1	0.00
3	Archit Sood	1	0.00	1	0.00

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	72,00,00,000	172,55,03,39,698	-	173,27,03,39,698
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,68,96,721	-	-	2,68,96,721
Total (i+ii+iii)	**74,68,96,721**	**172,55,03,39,698**	**-**	**173,29,72,36,419**
Change in Indebtedness during the financial year				
• Addition	7,26,47,541	22,65,28,29,911	-	22,72,54,77,452
• Reduction	81,95,44,262	-	-	81,95,44,262
Net Change	**(74,68,96,721)**	**22,65,28,29,911**	**-**	**21,90,59,33,190**
Indebtedness at the end of the financial year				
i) Principal Amount	-	195,20,31,69,609	-	195,20,31,69,609
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**195,20,31,69,609**	**-**	**195,20,31,69,609**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sl. No.	Particulars of Remuneration		Total Amount
		Neera Sharma	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	20,288,892	20,288,892
	(a) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act,1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission- as % of profit - others, specify.	-	-
5.	Others, please specify	-	-
	Total (A)	**20,288,892**	**20,288,892**
	Ceiling as per the Act	Not Applicable	Not Applicable

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Vikram Kaushik	Bharat Patel	
1.	Independent Directors - Fee for attending board committee meetings - Commission - Others, please specify	Rs. 10,50,000	Rs. 10,50,000	Rs. 21,00,000
	Total (1)	**Rs. 10,50,000**	**Rs. 10,50,000**	**Rs. 21,00,000**
2.	Other Non-Executive Directors	-	-	-
	- Fee for attending board committee meetings	-	-	-
	- Commission	-	-	-
	Total (2)	**-**	**-**	**-**
	Total (B)=(1+2)	**Rs. 10,50,000**	**Rs. 10,50,000**	**Rs. 21,00,000**
	Total Managerial Remuneration	Rs. 10,50,000	Rs. 10,50,000	Rs. 21,00,000
	Overall Ceiling as per the Act	Not Applicable	Not Applicable	Not Applicable

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD:

Sl. No.	Particulars of Remuneration		Key Managerial Personnel		Total Amount
			Archit Sood Company Secretary	Vinay Mittal CFO	
1.	Gross salary				
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	8,114,920	12,466,762	20,581,682
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	32,400	72,000
	(c)	Profits in lieu of salary under section 17(3) Income- tax Act,1961			
2.	Stock Option				
3.	Sweat Equity				
4.	Commission				
5.	**Others, please specify**				
	Total (C)		**8,154,520**	**12,499,162**	**20,653,682**
	Ceiling as per the Act		Not Applicable	Not Applicable	Not Applicable

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

Type	Section of Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fee Imposed	Authority (RD/NCLT / Court)	Appeal made, if any
A. COMPANY					
Penalty					
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B.DIRECTORS	**-**	**-**	**-**	**-**	**-**
Penalty					
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Sergey Savchenko
CHAIRMAN
DIN: 02891905

Place: Singapore
Date: August 04, 2021

ANNEXURE - C

SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]

To,
The Members,
Sistema Smart Technologies Limited
(Earlier known as Sistema Shyam Teleservices Limited)
121, Doctors Colony near DCM Ajmer Road
Jaipur, Rajasthan -302021

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by"Sistema Smart Technologies Limited" (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis forevaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of **Sistema Smart Technologies Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives, during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Sistema Smart Technologies Limited** ("the Company") for the financial year ended on 31st March, 2021, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made there under;

ii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under; and

iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External commercial Borrowings.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provision of the Act, rules, Regulation, Guidelines, etc. mentioned above.

We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors.

Adequate notice has been given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent properly before the scheduled meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

For DWIVEDI& ASSOCIATES
COMPANY SECRETARIES

CS AWANISH K. DWIVEDI
FCS- 8055, CP No.- 9080
UDIN :F008055C000446658

Place: New Delhi
Date: 11/06/2021

This report is to be read with our letter of even date which is annexed as **Annexure-I** and forms an integral part of this report.

ANNEXURE - I

To,
The Members,
Sistema Smart Technologies Limited
(Earlier known as Sistema Shyam Teleservices Limited)
121, Doctors Colony near DCM Ajmer Road
Jaipur, Rajasthan -302021

Our report of even date is to be read along with this letter:

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

For DWIVEDI& ASSOCIATES
COMPANY SECRETARIES

CS AWANISH K. DWIVEDI
FCS- 8055, CP No.- 9080

Place: New Delhi
Date: 11/06/2021

ANNEXURE - D

Information as per Section 197 (12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended and forming part of the Directors Report of Sistema Smart Technologies Limited for the Financial Year ended March 31, 2021

S. No.	Name	Age (in years)	Designation	Annual Gross Earning (Rs.)	Qualification	Experience	Date of Commencement of Employment / Joining	Previous Employment
PART A : Particular of the top ten Employees in terms of remuneration drawn by them throughout the Financial Year 2020-21								
1	Neera Sharma	48	Chief Executive Officer	2,02,88,892	L.L.B/MBA	25	01-11-2017	Dishnet Wireless Ltd (Aircel)
2	Vinay Mittal	49	Chief Financial Officer	1,24,66,762	CA	26	01-11-2017	Tata Teleservices Ltd
3	Archit Sood	44	Director	81,44,920	LLB/CS/Bcom	20	01-11-2017	B S Transcomm Ltd
4	Vineet Kumar	49	Director	68,79,030	MBA	25	01-11-2017	Deloitte
5	Vinay Kumar Bagree	44	Deputy Director	44,33,289	CA, B.Com	22	01-11-2017	Bharti Airtel Ltd
6	Ravi Choudhary	44	Deputy Director	42,99,611	CA, B.Com	22	01-11-2017	Tata Teleservices Ltd
7	Karun Bhasin	42	Deputy Director	33,71,762	CA, B.Com	19	01-11-2017	Tata Teleservices Ltd
8	Jatinder Sharma	46	Deputy Director	31,88,623	Diploma in Electronics	23	01-11-2017	Idea Telecommunication Ltd
9	Ankur Gupta	41	Assistant Director	27,01,626	CA, B.Com	18	01-11-2017	Vodafone Essar Digilink Ltd
10	Brajesh Agarwal	39	Assistant Director	25,67,601	CA, B.Com	17	01-11-2017	Reliance Communication Ltd
11	Vivek Bhardwaj	44	Deputy Director	24,08,019	LLB	21	01-11-2017	DLF Land Ltd
PART B : Particular of Employees who are in employment for whole year and in receipt of Annual Remuneration of Rs. 102.00 lacs or more								
1	Vinay Mittal	49	Chief Financial Officer	1,24,66,762	CA	26	01-11-2017	Tata Teleservices Ltd
2	Neera Sharma	48	Chief Executive Officer	2,02,88,892	L.L.B/MBA	25	01-11-2017	Dishnet Wireless Ltd (Aircel)
PART C : Particular of Employees who are in employment for part of the year and received monthly Remuneration of Rs. 8.50 lacs or more								
NIL								

For and on behalf of the Board

Sergey Savchenko
CHAIRMAN
DIN: 02891905

Place: Singapore
Date: August 04, 2021

ANNEXURE - E

Form No. AOC-2

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

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

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrange-ments/ transactions	Duration of the con-tracts / ar-rangement / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrange-ments or transactions	date(s) of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the relat-ed party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts / arrangem-ents/ trans- actions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approv-al by the Board / Audit Committee	Amount paid as advances, if any:
Insitel Services Private Ltd.	Interest on loan	Apr-20 to Mar-21	Payment - As per Agreement, Taxes extra as applicable Value : INR 130 Mn	AC/06.05.2020	NIL
Sistema Asia Pte. Ltd	Finance Shared Service	Apr-20 to Mar-21	Payment - As per Agreement, Taxes extra as applicable. Value: INR 3.3 Mn	AC/06.05.2020	NIL
SACAP India Private Limited	Finance Shared Service	Apr-20 to Mar-21	Payment - As per Agreement, Taxes extra as applicable. Value: INR 3.6 Mn.	AC/06.05.2020	NIL
Sistema Asia Capital Pte Limited	Finance Shared Service	Apr-20 to Mar-21	Payment - As per Agreement, Taxes extra as applicable, Value: INR 2.5 Mn.	AC/06.05.2020	NIL
Sistema Financial Tech-nologies Limited	Finance Shared Service	Apr-20 to Mar-21	Payment - As per Agreement, Taxes extra as applicable, Value: INR 5.6 Mn.	AC/06.05.2020	NIL
Sistema Asia Capital Pte Ltd	Finance Shared Service	Apr-20 to Mar-21	Payment - As per Agreement, Taxes extra as applicable, Value: INR 6.3 Mn.	AC/28.10.2020	NIL
Sistema Asia PTE Ltd	Finance Shared Service	Apr-20 to Mar-21	Payment - As per Agreement, Taxes extra as applicable, Value: INR 7.1 Mn.	AC/28.10.2020	NIL
Sistema Asia Fund Pte Ltd	Finance Shared Service	Jan-21 to Mar-22	Payment - As per Agreement, Taxes extra as applicable, Value: INR 2.5 Mn.	AC/27.01.2021	NIL

For and on behalf of the Board

Sergey Savchenko
CHAIRMAN
DIN: 0289190

Place: Singapore
Date: August 04, 2021

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SSTL has been engaged, inter alia, in providing managed services in form of System Integration Services in Information Communication Technology domain ("**ICT Domain**"). In this regard, SSTL has been successful in forging partnerships with major OEMs in the ICT Domain. In its pursuit of becoming a successful system integrator, SSTL has been continuously making efforts for tying up with multiple OEMs to rollout the different level of projects in Government/ PSUs sector. Over the last couple of years, SSTL has made significant contribution in establishing WiFi networks in various universities in India by providing end to end integration services as a partner to a large PSU.

The Company is providing Shared services in areas of finance, tax, risk, budgeting, legal, secretarial and IT services to its group companies based in India and Singapore.

DISCUSSION & ANALYSIS ON FINANCIAL STATEMENT AND OPERATIONAL PERFORMANCE

Overview

During the year ended 31 March 2021, the Company has incurred a loss of Rs. 22,763 million (2020- Rs.20,803 million). The losses have increased mainly due to increase in finance cost (interest accrued on financial liability portion of Redeemable preference shares.

Key Financial & Operational Highlights for the financial year 2020-21

I. Financial Condition

I. Net Worth

The negative net-worth of the Company has increased from Rs. 171,886 million in previous financial year to Rs.194,649 million in current financial year i.e. as at 31 March 2021. The increased in negative net-worth is mainly due to interest charged on financial liability portion of Redeemable preference shares.

2. Share Capital

During the financial year there is no change in the capital structure of the Company.

3. Secured and Unsecured Loan

(Rupees in Million)

Facility	March 31, 2021	March 31, 2020
Unsecured loans	195,203	172,550
Secured loans	-	720
Total	**195,203**	**173,270**

The increase in unsecured loan is on account of interest accrued on redeemable preference shares of Rs. 22,653 million. Secured loan has been repaid during financial year 2021.

4. Tangible Assets

Decrease in tangible assets is due to depreciation charged during the year is Rs. 1 million.

5. Provision

There is increase in provision mainly due to employee related liability.

II. Results of Operations

The Earning/(loss) before finance and depreciation expenses ("EBITDA") of the Company during the current financial year has decreased. EBITDA (loss) is 17 million as against EBITDA (loss) of Rs. 21 million in previous year.

Revenues from operations

Revenue from operations have decreased from Rs. 141 million in previous financial year to Rs. 58 million in the current financial year i.e. 2020-21 mainly on account of decrease in revenue from sale of goods and decrease in revenue from sales and marketing services.

Other Income

Other income has decreased from Rs. 207 million in the previous financial year to Rs. 172 million in the current financial year due to decrease in the interest income.

Finance and Treasury Charges

Finance expenses are mainly on account of interest accrued on Redeemable preference shares classified as financial liability.

Employee benefit Expenses

Employee benefit expenses have decreased from Rs. 157 million in previous financial year to Rs. 119 million (in the current financial year) on account of decrease in employee strength from sale and marketing services provided to start ups.

PRODUCTS AND SERVICES

SSTL has been engaged, inter alia, in providing managed services in form System Integration Services in Information Communication Technology domain ("ICT Domain"). In this regard, SSTL has been successful inforging partnerships with major OEMs in the ICT Domain. In its pursuit of becoming a successful system integrator, SSTL has been continuously making efforts for tying up with multiple OEMs to rollout the different level of projects in Government/ PSUs sector. Over the last couple of years, SSTL has made significant contribution in establishing WiFi networks in various universities in India by providing end to end integration services as a partner to a large PSU.

The Company is providing Shared services in areas of finance, tax, risk, budgeting, legal, secretarial and IT services to its group companies based in India and Singapore.

HUMAN RESOURCES

At SSTL, our HR mission has been to uphold organization goals by fostering a positive and engaging work environment while identifying and responding to the fast-changing business scenarios.

The year was hit by pandemic of Covid-19. We at SSTL strongly believe that "Prevention is better than cure" which is very apt to the pandemic like Covid – 19 where there is no scientific treatment other than taking precautions. As a proactive measure, the company had implemented Work From Home for all its employees keeping employee safety as paramount.

Timely and frequent communication with employees is strong tool that SSTL had sorted to keep a track of employee wellbeing and provide any help and support required by any employee during the challenging times.

As a practice, Performance Linked Incentive (PLI) policy, and KPI Structure, for each position was defined for the reporting period.

SSTL Organization structure was reviewed at regular intervals and the manpower optimization exercise was carried out in phased manner to keep the OPEX with the defined limits.

In line with the industry practice exercise of Performance Management System was successfully carried out.. As part of the performance evaluation exercise the fulfillment levels on KPIs were assessed and payout of PLI was made to all eligible employees as per the PLI policy approved by the Board of Directors for the assessment period.

Conclusion

The HR functional plan has been aligned to the organization's changing requirements with the increased focus on employee safety during the challenging times of Covid 19 and adherence to various HR policy and processes.

Internal Control Systems

The Company has in place systems of internal control designed to provide reasonable assurance with regard to the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

The internal audit adopts a risk-based audit methodology, which is aligned with the risk profile of the Company to ensure that the relevant controls addressing those risks are reviewed on a rotational basis. The scope of audit is extended to all of SSTL's operations and third-party service providers. The Company has appointed Mr. Ravi Choudhary (Company employee) as internal auditor for the financial year 2020-21. The deliverables of appointed employee are measured and evaluated against performance KPI's (Key Performance Indicators) approved by the Audit Committee to ensure that reasonable assurance is provided on the end-to-end spectrum of the areas/ processes defined in the agreed scope of work. The audit methodology takes into account factors like company risk profile, company strategy, influence of regulators/legislation; vulnerability to fraud, cost materiality and results of previous audits to ensure all critical processes gets covered. The Audit Committee does a regular review of the Audit Reports and also reviews update on the status of critical audit issues pending for resolution, which are submitted by the Internal Auditors. The Committee also meets the Company's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems in the Company and keeps the Board of Directors informed of major observations, if any.

The Anti-Corruption Policy of SSTL has been developed in accordance with Code of Conduct, charters, policies, rules and regulations adopted by SSTL and in conformance with the legal and statutory framework of Anti-Corruption Legislation prevalent in India and to additionally comply with the provisions of UK Bribery Act (if and when applicable). The Policy reflects the commitment of SSTL and its management for high ethical standards doing open and fair business for improving the corporate culture, following the best practices of corporate governance and supporting the business reputation at the appropriate level.

The Company has also set up a robust enterprise risk management framework across the organization. This facilitates identification, assessment, communication and management of risk(s) in an effective manner.

The Company has in place adequate tools, defined business procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

SSTL has designed Internal Control over Financial Statement (ICFR) framework to comply with the requirements of section 134 and 143 of Companies Act 2013, and 'Guidance Note on Audit of Internal Financial Controls Over Financial Reporting' released by the Institute of Chartered Accountants of India (ICAI) and the effectiveness of same is reported by statutory auditors in the annual report.

OPPORTUNITIES

The Company is keen in exploring the Indian ICT (information and communication technology) sector which is expected grow rapidlyon account of increasing internet penetration in the country.

RISKS AND THREATS

In the current scenario, the immediate risk as well as threat to the Company is growth of its revenues so as to reach a reasonable scale of business.

FUTURE OUTLOOK

Short Term: In the short run SSTL will look to maximizing shareholder value by focusing on the resolution of ongoing disputes including the disputes relating to the release of the bank guarantees furnished to the Department of Telecommunications and the adjusted gross revenue.

Medium Term: The Company is continuously evaluating its option to identify potential value creation opportunities for its shareholders.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may constitute a "forward-looking statement" within the meaning of applicable laws. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic markets in which the Company operates, changes in the Government Regulations, tax laws and other statutes and other related / incidental factors.

For and on behalf of the Board

Sergey Savchenko
CHAIRMAN
DIN: 02891905

Place: Singapore
Date: August 04, 2021

REPORT ON CORPORATE GOVERNANCE

GOVERNANCE PHILOSOPHY

Corporate Governance is a tool by which an organization can control and direct its affairs towards attainment of set objectives maximizing the welfare of its stakeholders. The Company ("SSTL") is committed to maintain the highest standards of Corporate Governance and implements several best Corporate Governance practices as prevalent globally, which are over and above the statutory requirements. Your Company's affairs are managed in a fair and transparent manner, this is very important to gain and retain the trust of our stakeholders.

Your Company always makes efforts to develop and improve the processes and procedures, which are part of Corporate Governance regime in order to gain the confidence of stakeholders and to promote the principles of transparency, integrity and accountability in the working and culture of the organization and to keep the level of Corporate Governance matching with Industry standards

I. BOARD OF DIRECTORS

The Board of SSTL is broad based and has eminent personalities having experience in distinguished industries. It is managed through an optimum mix of Executive, Non-Executive and Independent Directors in conformance with the best standards and practices. The Board of Directors of SSTL comprises of notable professionals possessing unparalleled industry experience and knowledge having diverse backgrounds and expertise in the fields of strategy, technology, finance, economics, entrepreneurship, legal and general management.

The Board's composition, nature of directorship & attendance of the Directors at last Annual General Meeting alongwith the details of their directorships in other companies during the financial year 2020-21 are given as under:

Name of the Director	Nature of Directorship	Date of Joining the Board	Attendance At the Last AGM	Directorship In other Companies
Mr. Sergey Savchenko	Director (Chairman)	14.09.18	Yes	6
Mr. Oleg Dzenenko	Director	07.05.20	Yes	1
Mrs. Larisa Gorbatova	Director	25.04.18	Yes	2
Mr. Vikram Kaushik	Independent Director	13.07.11	Yes	1
Mr. Bharat V Patel	Independent Director	13.07.11	Yes	2
Mrs. Neera Sharma	Whole-Time Director	01.11.17	Yes	9

Board Meetings and Attendance

During the financial year ended March 31, 2021, the Board of Directors met 4 times on the following dates and the maximum time gap between any two meetings has been less than 120 days. Besides the regular Board Meetings, urgent important issues are decided through circulation resolutions which are confirmed in the next Board Meeting.

Dates on which the Board Meeting(s) were held

I.	May 06, 2020
II.	July 29, 2020
III.	October 28, 2020
IV.	January 27, 2021

The details of attendance of each Director at the Board Meetings held during the financial year 2020-21 are as under:

Name of Directors	Sergey Savchenko	Oleg Dzenenko	Neera Sharma	Larisa Gorbatova	Vikram Kaushik	Bharat Patel
Board Meetings Attended	4	2	4	4	4	4

Information availability to the Board

The Company provides all the information in advance related to businesses of each meeting to all the members of Board for their review and for discussions and decisions at the meeting. Such information is submitted as part of the agenda material of the meetings well in advance and also by way of presentation during the meeting. All major agenda items are backed by comprehensive background information to enable the Board to take erudite decisions. The information which could not be circulated in advance is tabled directly at the meeting. The Board has absolute access to all the relevant information and also the managers of the Company. Apart from the information made available at the time of meetings, the Board also periodically reviews various reports and information on the progress of the Company. Such information is supplied to the Board at certain intervals and also on request from time to time.

Advance Planning of the Meetings

Planning of meetings of the Board as well as Board's Committee is done in advance to adjudge and decide the matters and affairs which are to be placed and reviewed before the members on the basis of priority and importance. Advance planning also provides an aid to the Board members to schedule and plan their calendar events accordingly. The schedule of meetings also includes the primary agenda for each meeting. The Board approves such calendar schedules in the last meeting of every calendar year for the Board and Committee Meetings of next calendar year. To the extent possible and convenient to Board Members, the Board and Committees follow the calendar schedules approved for Meetings. In addition to the planned calendar meetings, the Company also holds special meetings to discuss the urgent business issues and the Board Members have also been very indulgent for such special meetings as is evident from the attendance of Directors in Board Meetings. The agenda of the meeting is pre-circulated with presentations, detailed notes, supporting documents and executive summary.

Performance Evaluation Process

The Board's Performance Evaluation process was initiated by distributing a self- assessment questionnaire to each Board Member. Based on the response to questionnaires received from Board Members, a summary report was prepared including the results of all analyzed criteria, areas of improvement and a certain action plan for the same. The results of the evaluation process were summarized with complete confidentiality and placed before the Board for its review and the suggestions for the improvement in the working procedures of the Board of Directors. The suggestions advised by the Board members are being implemented, to the maximum extent possible, with co-ordination of all concerned.

II. DIRECTORS' COMMITTEES

The Board has constituted Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship and Share Transfer Committee, Corporate Conduct and Ethics Committee, Corporate Social Responsibility Committee and Borrowing & Investment Committee in compliance with applicable provisions of the Companies Act, 2013.

Committees focus on specific areas and make well-versed decisions within the authority delegated. Each Committee of the Directors is guided by its well defined Charter, which defines the composition, scope and powers of the Committee. The charters of the Committees have been aligned in accordance with the scope and functions as prescribed under the applicable provisions of the Companies Act, 2013. The Chairman of the Committee in consultation with Company Secretary determines the frequency of the Committee meetings. The Committees also make specific recommendations to the Board on various matters from time-to time. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. The Board reviews the performance of the Committees exhaustively on annual basis and imparts necessary directions for improving the performance of the Committees.

Audit Committee

Audit Committee plays an important role in the Company's financial integrity. The Audit Committee presently comprises of the following Board Members: Ms. Larisa Gorbatova, Mr. Bharat Patel, & Mr. Vikram Kaushik, Ms.Larisa Gorbatova being the Chairperson of the Committee. Ms. Gorbatova has sound financial knowledge as well as several years of experience in the industry. Mr. Archit Sood, the Company Secretary of the Company, is the Secretary of the Committee.

In Committee Meetings, detailed discussions are held on various matters e.g. financial results, budgets, related party transactions, internal audit and internal control, etc. The Head of various functions and other senior management members are invited to present their reports on the respective issues being discussed in the committee meetings and to have detailed interactions with the committee members on all important issues. The Internal Auditors and Statutory Auditors are also invited to attend the meeting of the Audit Committee and participate in discussions on their respective issues.

Key responsibilities of the Audit Committee

➢	Financial Reporting and Disclosure process.	➢	Overseeing the Vigil Mechanism.
➢	Appointment, re-appointment or removal of the Statutory Auditor, Internal Auditors and Cost Auditor.	➢	Adequacy of the internal control systems and internal audit function.
➢	Examination of Annual Financial Statements and all aspects related thereto including qualification in Draft Auditors' Report.	➢	Internal Audit Reports and follow up action.
➢	Quarterly financial statements and Policies.	➢	Nature and scope of Statutory Audit.
➢	Review and monitor the auditor's independence and performance and effectiveness of audit process.	➢	Related Party Transactions.
➢	Budgets and Business Plans of the Company and matters related thereto.	➢	Legal/ regulatory matters having significant impact on the Company's financial statements.
		➢	Carrying out any other function as may be related and important in view of the Audit Committee members.

Audit Committee Meetings and Attendance

During the financial year 2020-21, the Audit Committee met 4 times i.e. on:

I. May 06, 2020

II. July 29, 2020

III. October 28, 2020

IV. January 27, 2021

The details of meetings attended by each Committee Member during the financial year 2020-21 are as under:

Members	Larisa Gorbatova	Vikram Kaushik	Bharat Patel
Status	Chairperson	Member	Member
No. of Meetings Attended	4	4	4

Nomination and Remuneration Committee

During the financial year 2020-21, the Nomination and Remuneration Committee of Directors comprised of Mr. Vikram Kaushik (Independent Director), Mr. Bharat Patel (Independent Director), and Mr. Sergey Savchenko, Mr. Vikram Kaushik being the Chairman of the Committee. Mr. Archit Sood, Company Secretary of the Company, is Co-ordinator of the Committee.

Key Responsibilities of Nomination & Remuneration Committee

- ➢ To shortlist and select nominees on the Board and to recommend their names to the Board of Directors for appointment, re-appointment.
- ➢ To formulate the criteria for determining qualifications, positive attributes and independence of directors.
- ➢ To recommend to the Board Remuneration Policy relating to remuneration for the directors, key managerial personnel and other employees and to review the overall Remuneration structure/ Remuneration policy.
- ➢ To shortlist and select candidates for the position of CEO and to recommend their names to Board of Directors for appointment as CEO along with proposed remuneration.
- ➢ To lay down criteria for qualification and to approve the selection/ appointment(s)/ KPIs/ performance/ remuneration/ promotion/ resignation(s) and termination(s) of personnel for the position of National Heads/CXOs/Circle COOs("Management Personnel").

Committee Meetings and Attendance

During the financial year 2020-21 the said Committee met 3 times i.e. on:

I.	May 06, 2020
II.	July 29, 2020
III.	January 27, 2021

The details of meetings attended by each Committee Member are as under:

Members	Vikram Kaushik	Bharat Patel	Sergey Savchenko
Status	Chairman	Member	Member
No. of Meetings Attended	3	3	3

Corporate Conduct & Ethics Committee

In order to develop an effective corporate conduct system and ethics standards which correspond with international recognized standards, the Company had constituted a Corporate Conduct & Ethics Committee on October 18, 2011. Presently it comprises of Mr. Sergey Savchenko as Chairman of the Committee, Mr. Vikram Kaushik (Independent Director), Mr. Bharat V Patel (Independent Director) and Mrs. Neera Sharma, Whole-time Director, as its members. Mr. Archit Sood, the Company Secretary of the Company is the Secretary of the Committee.

The Committee is responsible for formulation of proposal and recommendations to Board of Directors for developing and implementing effective corporate conduct and ethics, Monitoring and supervising of functioning of executive level Disciplinary Committees as well as disciplinary proceedings conducted by the said committees, Reviewing Code of Conduct for Board members and Senior Management Personnel and Code of Conduct for employees and Reviewing policies, documents, processes, procedures, strategies, guidelines relating to corporate conduct, corporate culture, ethics and disciplines. The main function of the Committee is to review the periodical reports of the respective Executive Level Disciplinary Committee and to provide directions and suggestions thereon.

Meeting and Attendance Details

During the financial year 2020-21, the Corporate Conduct & Ethics Committee met once i.e. on May 06, 2020. The details of meeting attended by each Committee Member are as under:

Members	Sergey Savchenko	Neera Sharma	Bharat V.Patel	Vikram Kaushik
Status	Chairman	Member	Member	Member
No. of Meetings Attended	1	1	1	1

STAKEHOLDERS' RELATIONSHIP AND SHARE TRANSFER COMMITTEE

The Committee has a charter, which is aligned in accordance with Section 178 of the Companies Act, 2013. The Committee deals with matters relating to transfer & transmission of shares, issue of duplicate share certificates, shares dematerialized & rematerialized, redressal of investor's grievance and all other matters related to the shares, share capital and investors complaints and correspondence. The Committee meetings are held on regular intervals to consider the matter pertaining to share transfer and investors grievances.

The Committee comprises of Mr. Vikram Kaushik, Mr. Bharat Patel and Mr. Sergey Savchenko as its members with Mr. Vikram Kaushik as its Chairman. Mr. Archit Sood, Company Secretary is the Secretary of the Committee.

Meeting and Attendance Details

During the financial year 2020-21, the Stakeholders' Relationship & Share Transfer Committee met three (3) times on the following dates: July 29, 2020, October 28, 2020 and January 27, 2021. The details of meetings attended by each Committee Member are as under:

Members	Vikram Kaushik	Sergey Savchenko	Bharat V. Patel
Status	Chairman	Member	Member
No. of Meetings Attended	3	3	3

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In order to comply with the provisions of Section 135 of the Companies Act, 2013 and related Rules, a committee on Corporate Social Responsibility (CSR) had been constituted to recommend and monitor the expenditure on CSR plans, projects and programs as specified in the CSR Policy. The Committee presently comprises of Mr. Sergey Savchenko, Mr. Vikram Kaushik and Mr. Bharat Patel with Mr. Sergey Savchenko being the Chairman of the Committee.

Meeting and Attendance Details

During the financial year 2020-21, the CSR Committee met oncei.e. on May 06, 2020. The details of meeting attended by each Committee Member are as under:

Members	Sergey Savchenko	Bharat Patel	Vikram Kaushik
Status	Chairman	Member	Member
No. of Meetings Attended	1	1	1

BORROWING & INVESTMENT COMMITTEE

During the Financial Year 2020-21, the Borrowing & Investment Committee comprised of Mr. Sergey Savchenko (as Chairman of the Committee), Mrs. Larisa Gorbatova and Mrs. Neera Sharma. During the financial year 2020-21, three meetings were held on June 15, 2020, August12, 2020 and October 20, 2020 respectively. The details of meeting attended by each Committee members are as under.

Members	Sergey Savchenko	Neera Sharma	Larisa Gorbatova
Status	Chairman	Member	Member
No. of Meetings Attended	3	3	3

III. REMUNERATION TO DIRECTORS

The Company is not making any payment to the Non-Executive Directors as remuneration except sitting fee i.e. Rs.1,00,000/- for attending each meeting of Board of Directors and Rs.50,000/- for attending each meeting of the Committee of the Board. The total remuneration paid to Mrs. Neera Sharma Whole-Time Director designated as CEO, during the financial year 2020-21 was Rs. Rs.20.29 million in accordance with the approval of shareholders of the Company.

Performance criteria for Executive Directors, entitled for Performance Linked Incentive (PLI), are determined by the Human Resources policy & Nomination and Remuneration Committee. The tenure of office of Mrs. Neera Sharma is up to 31 October 2022. In case the services of Mrs. Neera Sharma are terminated by the Company involuntarily before the term, she shall be paid one-time compensation equal to one months' fixed salary and PLI on pro rata basis for the completed period.

IV. DISCLOSURES

A. <u>Compliance with Laws</u>

The Company is complying with all applicable laws with due diligence. No penalties or strictures were imposed on the Company by Ministry of Corporate Affairs or any statutory authority on any matter related to corporate laws. The Audit Committee periodically reviews compliance reports of applicable laws as prepared by the management as well as steps taken by the Company to rectify instances of non-compliance, if any.

B. <u>Related Party Transactions</u>

There were no contracts or arrangements entered into by the Company which attract the provisions of Section 188 of the Companies Act, 2013. However, all the transactions with related parties were at arm's length basis and entered in the ordinary course of business by the Company. All such transactions were periodically placed before the Audit Committee for its approval.

Details of each proposed related party transactions are placed before the Audit Committee with detailed justification for its prior approval. Further, it is also ensured that the transaction with related parties are on arms' length basis with due consideration of various business exigencies such as synergy in operation and industry specialization, etc. The established processes applicable in the Company for all kind of procurements are also equally applied to related party transactions.

C. <u>Code of Conduct</u>

In compliance with the Code of Conduct for Board Members and Senior Management Personnel adopted by the Company, all the Board Members and Senior Management Personnel have affirmed the compliance with the 'Code of Conduct' for the financial year ended March 31, 2021 by furnishing a certificate to this effect. A declaration to this effect signed by Mrs. Neera Sharma, Whole Time Director (designated as 'Chief Executive Officer' of the Company) as on August 04, 2021 forms part of this report as **Annexure - I**.

D. Vigil Mechanism / Whistle Blower Policy

The Company has a Vigil Mechanism named as Whistle Blower Policy for Directors and employees to report genuine concern in accordance with the manner and procedure as prescribed therein and it provides adequate safeguards against victimization of persons who use such mechanism. The Directors, employees, vendors or any other person covered under the Whistle Blower Mechanism, have direct access to the Chairman of the Audit Committee in appropriate or exceptional cases as per provisions of the Whistle Blower Policy and Charter of Audit Committee.

E. Remuneration Policy

The Company has adopted a Remuneration Policy based on the recommendations of the Nomination & Remuneration Committee of the Company. The Policy has been framed in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder and the Articles of Association of the Company. The Policy includes the provisions relating to remuneration of Board of Directors, Key Managerial Personnel and other employees in general. Remuneration Policy of the Company is enclosed herewith **Annexure -III**.

F. Other Disclosures

- There is no Inter-se relationship between Directors of the Company.
- During the year there are no material financial and commercial transactions of senior management, where they may have had personal interest, and which had potential conflict with the interest of the Company at large.
- The Independent Directors have submitted a declaration confirming that they meet the criteria of independence and do not have any material pecuniary relationship or transaction with the Company, its Promoters, Directors, Senior Management, Holding Company or Subsidiary Company.

V. ENTERPRISE RISK MANAGEMENT (ERM)

All the clauses of Companies Act, 2013 relating to risk management became effective w.e.f. April 1, 2014. Existing Risk Management Policy was amended to ensure compliance with the new Company Law and the policy was also reviewed and approved by the senior management of the company. In addition, risk management continued taking new initiatives including re-visiting emerging risks which could have significant impact on the company and laid down a robust process to monitor key risks and prioritize relevant action plans to mitigate them.

During the year, ERM team continued monitoring of various key parameters including progress, reflecting increase / reduction of risk impact and also reported the result in Risk management Committee, Management Committee, Audit Committee, BoD and obtained approval of the key risk's profile and mitigation plan thereof.

Progress of mitigation actions and their effectiveness were reviewed and discussed with the Risk Management Committee, duly approved by Audit Committee and Board from time to time. This resulted in strengthening the risk and control framework and hence reducing the overall risk impact.

In 2020-21, Enterprise Risk management plans to continue its focus on key risks which may threaten the existence of the organization in addition to coordinating for mitigation of other key risks. It is also working towards improving the accuracy and efficiency of data analysis and business modeling, in order to identify risks more precisely before its occurrence.

VI. TRAINING OF BOARD MEMBERS

The Company believes that the Board must be continuously empowered with the knowledge of the latest developments in the Company's business and the external environment affecting the industry as a whole. To this end, the Directors were given reports/ information/ presentations on the global business environment, as well as all business areas of the Company including business strategy, risks and opportunities. Directors are also updated on changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislation and economic environment. Additionally, all new directors inducted into the Board from time to time are given an orientation to familiarize them with the Operations, Financial Performance, Organizational structure, Board Procedures, Code of Conduct and Process for Board's Self-Appraisal.

VII. CEO AND CFO CERTIFICATION

The CEO and CFO Certificate on the Annual Accounts and Internal Controls of the Company for the financial year ended March 31, 2021 is appended as **Annexure - II** and forms an integral part of this Report. The requirement of obtaining and publishing this certificate is applicable only for listed companies, however in its quest for establishing fair and transparent best practices the Company has voluntarily taken this initiative.

VIII. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place "Prevention of Sexual Harassment Policy" in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, which is applicable to all employees of the Company and a committee named as "Prevention of Sexual Harassment Committee" has been set up to redress the complaints received regarding sexual harassment.

Summary of sexual harassment complaints received and disposed of during the period starting with April 1, 2020 to March 31, 2021

- No. of complaints received: Nil
- No. of complaints disposed of: Nil

IX. SHAREHOLDER AND GENERAL INFORMATION

A. Means of Communication

Good Governance can only be achieved by timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance. The Company has established systems and procedures to disseminate relevant information to all its stakeholders. All official press releases are posted on the requisite forums. An analysis of the various means of dissemination of information in the year under review is produced hereunder:

Press Releases	All press releases concerning the business operations of the Company and other media news are also displayed on the internet.
Annual Report	Annual Reports are circulated to all the members and others like Auditors,, etc.

B. Details of last 3 General Meetings

(i) Annual General Meetings

Year	Date & Time	Venue	Special Business Item Resolution Passed
2017-18	28.12.2018 10:00 A.M.	Hotel Fortune Select Metropolitan, Near Nehru Sahkar Bhawan, C-Scheme BaisGodam Circle, Jaipur.	➢ Appointment of Mr. Ilya Kosolapov as Ordinary Director liable to retire by rotation. ➢ Approval for excess payment of remuneration to Mr. Sergey Savchenko, Whole Time Director of the Company. ➢ Approval for excess payment of remuneration to Mrs. Neera Sharma, Whole Time Director of the Company. ➢ Appointment of Mrs. Neera Sharma as CEO (Whole Time Director) and approval of her remuneration.
2018-19	25.09.2019 10:00 A.M	Hotel Fortune Select Metropolitan, Near Nehru Sahkar Bhawan, C-Scheme BaisGodam Circle, Jaipur.	➢ Re-appointment of Mr. Bharat V Patel (Din 00060998) as anindependent Director of the Company ➢ Re-appointment of Mr. Vikram Kaushik (Din 00020529) as an independent Director of the Company. ➢ Approval for excess payment of remuneration to Mr. Sergey Savchenko, Director of the Company. ➢ Approval for excess payment of remuneration to Mrs. Neera Sharma, Whole Time Director of the Company.
2019-20	08.09.2020	Through Video Conferencing	➢ Appointment of Mr. Oleg Dzenenko (DIN:8698001) as ordinary Director liable to retire by rotation. ➢ Approval for excess payment of remuneration to Mrs. Neera Sharma, Whole Time Director of the Company ➢ Re-Appointment of Mrs. Neera Sharma (DIN: 00975300) as CEO (Whole Time Director) and approving the financial terms of appointment.

ii) Extraordinary General Meetings

Year	Date & Time	Venue	Special Resolution Passed
2008-09	22.01.2009 10:30 A.M.	Hotel Pink Pearl 10th Mile, Mahapura, Ajmer Road, Jaipur	- Change in the name of the Company from Shyam Telelink Limited to Sistema Shyam TeleServices Limited. - Appointment of Mr. Vsevolod Rozanov as Whole Time Director of the Company and fixation of his remuneration.
2009-10	10.12.2009 11:00 A.M.	Hotel Fortune Select Metropolitan, Near Nehru Sahkar Bhawan, C-Scheme Bais Godam Circle, Jaipur.	- Offer, issue and allotment on preferential allotment basis upto 22,85,94,900 equity shares to existing promoter companies. - Offer, issue and allotment on preferential allotment basis upto 66,27,45,100 to Federal Agency for State roperty Management (Rosimushchestvo) of Russian Federation.
2011-12	30.03.2012 11:00 A.M.	Hotel Marriott, Ashram Marg, Near Jawahar Circle, Jaipur.	- Alteration in Articles of Association of the Company to incorporate the power to issue Preference Shares. - Authorisation to the Board to issue upto 6,000,000,000 preference shares.

C. Details of ensuing Annual General Meeting

Day: Thursday **Date :** September 16, 2021**;Time:** 02:00 PM.

Venue: Through audio visual means as allowed by the Ministry of Corporate Affairs.

D. Financial Calendar

Accounting Year : April 01, 2020 to March 31, 2021.

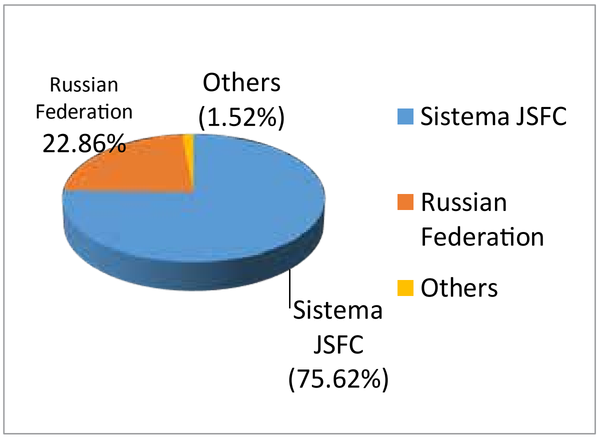
E. Share Capital

As on March 31, 2021, the total Preference Share Capital of the Company consists of 14,169,400, 0.01% Non-Convertible Non-Cumulative Fully Redeemable Preference Shares of Rs.10/-each. The allotment of Preference Shares was done by the Directors at the meetings of Share Allotment Committee held from time to time, duly authorized in this behalf.

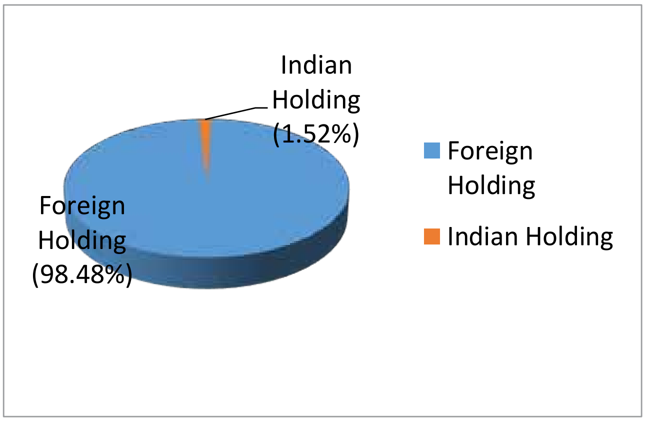
F. Shareholding Pattern as at March 31, 2021

EQUITY SHARE CAPITAL

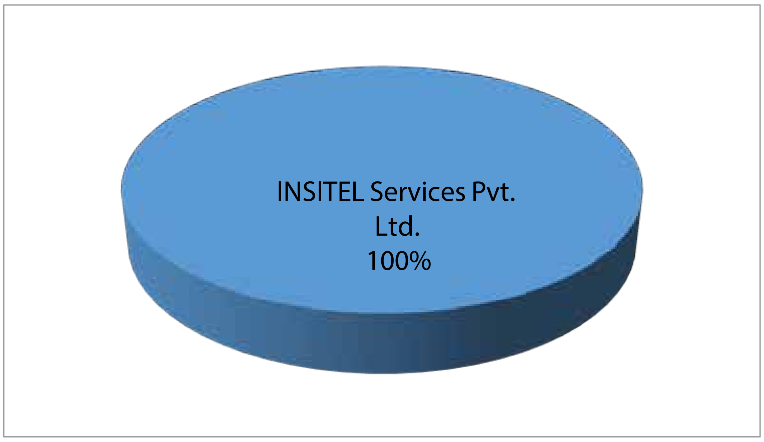
Shareholding



Indian vs Foreign Shareholding



PREFERENCE SHARE CAPITAL



G. **Distribution of Shareholding as on 31.03.2021**

A. **Equity Share Capital**

Category (Shares)	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1 - 100	2027	12.46	60055	0.00
101 - 500	3488	21.44	1092776	0.05
501 - 1000	5383	33.09	4197569	0.18
1001 - 5000	4314	26.52	9288714	0.39
5001 - 10000	560	3.44	3983410	0.17
10001 - 20000	274	1.68	3799690	0.16
20001 - 30000	89	0.55	2130227	0.09
30001 - 40000	44	0.27	1519096	0.06
40001 - 50000	15	0.09	665904	0.03
50001 - 100000	45	0.28	3173434	0.13
100001 - 500000	23	0.14	4410604	0.18
500001 and above	6	0.04	2359744476	98.57
TOTAL:	**16268**	**100.00**	**2394065955**	**100.00**

B. **Preference Share Capital**

Category (Shares)	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1 - 14169400	1	100	14169400	100
TOTAL	**1**	**100**	**14169400**	**100**

H. **Categories of Shareholders as on 31.03.2021**

A. **Equity Share Capital**

	Category	No. of Shares	%
(A)	PROMOTERS		
	Indian Promoters		
	Foreign Promoters	1810289400	75.62
(B)	Federal Agency of State Property Management of Russian Federation (Rosimushchestvo)	547312918	22.86
(C)	**NON-PROMOTER**		
	FIIs/NRIs/ Foreign Banks/OCBs	195085	0.01
	FIs/Mutual Funds/UTI/Banks/Body Corporates	4123335	0.17
	Others	32145217	1.34
	TOTAL	**2394065955**	**100.00**

B. **Preference Share Capital**

	Category	No. of Shares	%
(A)	**Body Corporate (Indian)**		
	INSITEL Services Private Limited	14169400	100.00
	TOTAL	**14169400**	**100.00**

I. Physical Holding vs. Holding in Dematerialized Form:

As on 31st March, 2021, 99.95% of Equity shares are held in dematerialized form and the rest 0.05% in physical form. The Break-up of Physical vs. Demat shares is as listed below:

Category	No. of Shareholders	% of total Shareholders	No. of Shares Held	% of Shareholding
PHYSICAL	1120	6.88	1151509	0.05
DEMAT:				
NSDL	10597	65.14	2380912374	99.45
CDSL	4551	27.98	12002072	0.50
Total	**16268**	**100.00**	**2394065955**	**100.00**

J. International Security Identification Number (ISIN)

Security	ISIN
EQUITY SHARES OF RS. 10/- EACH	INE159D01010

K. Address for Correspondence for Share Related Matters:

KFin Technologies Private Limited (Registrar & Transfer Agent)

Delhi Office:	Hyderabad Office:
KFin Technologies Private Limited 305, New Delhi House, 27 Barakhamba Road, Connaught Place, New Delhi-110001 Tel No. : 011-43681700 Fax No. : 011-46381710 E-mail ID: delhi@kfintech.com	KFin Technologies Private Limited Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad – 500 008 Tel No.: 040-67162222 Fax No.:040-23420814 E-mail ID :einward.ris@kfintech.com

L. Address for Investors

Correspondence: Company Secretary and Compliance Officer

Corporate Office:	Registered Office :
Sistema Smart Technologies Limited 334, Udyog Vihar, Phase-IV, Gurgaon -122001, Haryana Email :cssstl@sistema.co.in Ph : 0124-4812500 Fax No. : 0124-4812825	**Sistema Smart Technologies Limited** 121, Doctors Colony, Near DCM Ajmer Road, Jaipur 302021 Rajasthan Email :cssstl@sistema.co.in Ph : 0141-4919958

Note: The Corporate Governance Report states the facts/figures as of March 31, 2021.

ANNEXURE - I

ANNUAL DECLARATION BY CEO ON ADHERENCE TO THE SSTL'S CODE OF CONDUCT

I, Neera Sharma, Chief Executive Officer of Sistema Smart Technologies Limited ("the Company") (formerly known as 'Sistema Shyam Teleservices Limited') hereby confirm that the Company has adopted a comprehensive Code of Conduct ("Code") for its Board members and Senior Management Personnel.

I hereby confirm that all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2021 by submitting Annual Compliance Certificate as required in terms of the Code of Conduct adopted by the Company.

Neera Sharma
Chief Executive Officer
DIN: 00975300

Place: Gurugram
Date: August 04, 2021

ANNEXURE - II

CEO & CFO Certification

We, Neera Sharma, Chief Executive Officer and Vinay Mittal, Chief Financial Officer of Sistema Smart Technologies Limited (formerly known as 'Sistema Shyam Teleservices Limited') hereby certify that:

1. We have reviewed the Financial Statements and Cash Flow Statement for the year ended 31st March, 2021 and to the best

   of our knowledge and belief:

   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

2. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2021 are fraudulent, illegal or violative of the Company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.

4. There has not been any significant change in internal control over financial reporting during the year under reference;

5. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and

6. We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Neera Sharma
Chief Executive Officer
DIN: 00975300

Vinay Mittal
Chief Financial Officer
PAN: AAKPM6793L

Place: Gurugram
Date: August 04, 2021

ANNEXURE - III

REMUNERATION POLICY

The Remuneration Policy of Sistema Smart Technologies Limited ("SSTL") (formerly known as 'Sistema Shyam Teleservices Limited') has been framed in accordance with the applicable provisions of the Companies Act, 2013 and rules framed thereunder and the Articles of Association of the Company. The Policy includes the provisions relating to remuneration of Board of Directors, Key Managerial Personnel and other employees in general.

The Policy has been formulated by the Nomination & Remuneration Committee of the Company and will be recommended to the Board of Directors of the Company for its approval for implementation.

REMUNERATION PAYABLE TO BOARD OF DIRECTORS

The Company does not pay any remuneration to the Board of Directors other than Whole Time Director designated as Chief Executive Officer and Independent Directors of the Company.

REMUNERATION PAYABLE TO INDEPENDENT DIRECTORS

The Independent Directors of the Company are not paid any remuneration other than sitting fee for their services for attending a Board Meeting or a meeting of the Committee constituted by the Board in accordance with the approval of Nomination & Remuneration Committee and Board of Directors of the Company and that shall be the sum as may be fixed by the Directors in accordance with the limits as may be prescribed/ approved by the Central Government from time to time under Companies Act, 2013 and the rules framed thereunder including amendments thereof.

The Board of Directors has fixed an amount of Rs. 1,00,000/- and Rs. 50,000/- as payment of sitting fee to Independent Directors for attending a Board Meeting or a meeting of the Committee constituted by the Board, respectively.

The Company will make all arrangements for Independent Directors including accommodation arrangements, travel arrangements etc. for attending the Board, Committee and Shareholders' meetings of the Company.

The criteria for selection and appointment of Independent Director(s) have been provided in Annexure "A" of this Policy. The criteria of appointment and selection of Independent Director(s) provides the positive attributes, qualities and qualifications, a potential candidate must possess to hold the position of Independent Director of SSTL.

REMUNERATION PAYABLE TO WHOLE TIME DIRECTOR DESIGNATED AS CHIEF EXECUTIVE OFFICER

The remuneration package of the Chief Executive Officer is decided by the Nomination and Remuneration Committee subject to approval of Board of Directors and shareholders of the Company in accordance the requirements and limits as stipulated under the Companies Act, 2013 and / or other applicable laws as in force at the time of his/her appointment. The remuneration paid is determined keeping in view the industry benchmark, the relative performance of the Company to the industry performance and review of remuneration packages of managerial personnel of other organizations.

The elements of the remuneration package of the Chief Executive Officer comprises of salary, perquisites & allowances comprising of Company maintained accommodation or house rent allowance, personnel allowance, leave travel allowance, club membership / facilities, use of chauffeur driven Company car, telecommunication facilities at residence and other perquisites and allowances including Company's contribution to provident fund, gratuity and leave encashment facilities in accordance with rules of the Company.

The annual increments and performance incentive of the Chief Executive Officer are linked to his performance and are considered by the Nomination & Remuneration Committee and recommended to the Board of Directors for its approval as well as to members, wherever necessary, for their approval.

REMUNERATION PAYABLE TO KEY MANAGERIAL PERSONNEL (OTHER THAN WHOLE-TIME DIRECTOR) AND SENIOR MANAGERIAL PERSONNEL

In case of Key Managerial Personnel (other than Whole-Time Director) and Senior Managerial Personnel, the remuneration paid is determined keeping in view the industry benchmark, the relative performance of the Company to the industry performance and review of remuneration packages of senior executive of other organizations. Perquisites and retirement benefits are paid according to the Company policy as applicable to senior executives of the Company, subject to prescribed statutory ceiling.

The appointment and remuneration of Key Managerial Personnel (other than Whole-Time Director) and Senior Managerial Personnel are decided by the Nomination and Remuneration Committee and recommended to the Board of Directors for its approval.

The annual increments and performance incentive are linked to their performance and are considered by the Nomination & Remuneration Committee and recommended to the Board of Directors for its approval.

The detailed document regulating the policy of personnel compensation and their revisions (for different staff categories) is already in place.

REMUNERATION PAYABLE TO OTHER EMPLOYEES

The remuneration of employees largely consists of basic salary, perquisites, bonus and performance linked incentives. The components of the total remuneration vary for different levels and are governed by the industry pattern, qualification & experience / merits, performance of each employee.

The overall remuneration pattern of the employees is reviewed by the Nomination and Remuneration Committee on periodical basis. The overall annual increments and performance linked incentive are considered and reviewed by the Nomination & Remuneration Committee and recommended to the Board of Directors for its approval.

Annexure-A of Remuneration Policy

CRITERIA FOR APPOINTMENT AND SELECTION OF INDEPENDENT DIRECTORS

The Nomination & Remuneration Committee, while evaluating the potential candidate(s) for the position of Independent Director(s), will consider a variety of personal attributes, including experience, intellect, foresight, judgment and transparency, and will ensure that these attributes match with the requirements as set out by the Board. Broadly, the attributes and qualities of the Independent Director(s) consist of the following:

1. Independent Directors must be capable of taking fair decisions without being influenced.

2. Independent Directors are expected tobalance the decision-making process of the Board by constructively challenging the Company's strategy and exercise due diligence.

3. Independent Directors should possessthe requisite business and industry expertise in the domain, in which SSTL operates.

4. Independent Directors should be competent enough to work effectively like a team member as well as leader with the other directors of the Board and committees.

5. Independent Directors should contribute constructively in the Board's deliberations.

Apart from the attributes and qualities as illustrated above, the Independent Director(s) must also comply with the following criteria / requirements as contemplated under the provisions of the Companies Act, 2013:

1. An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

2. The Independent Directors must fulfill the requirements as provided in the definition of Independent Director as given below: **Definition of Independent Director (As per Section 149 of the Companies Act, 2013)**

"An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director,—

(a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

(b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company; (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

(c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

(d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(e) who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent. or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any non-fit organization that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company.

INDEPENDENT AUDITOR'S REPORT

To

The Members of Sistema Smart Technologies Limited

Report on the Audit of the Standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of **Sistema Smart Technologies Limited** (Formerly known as Sistema Shyam Teleservices Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, total 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 standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw your attention to note 29(b) of the standalone Ind AS financial statements, which describes the uncertainties related to estimation of licence fees and spectrum usage charges on Adjusted Gross Revenue (AGR Liability) due to matter being subjudice and is pending at the Hon'ble Supreme Court and transfer of AGR liability to Reliance Communications Limited ("RCOM") under merger scheme.

Our opinion is not modified in respect of this matter.

Information Other than the Standalone financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Corporate Governance report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained 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 information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone financial statements

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

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

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

Auditor's Responsibility for the Audit of the standalone financial statements

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

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

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

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

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow 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 Ind AS specified under Section 133 of the Act.

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

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

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. (Refer Note 29 to the standalone financial statements)

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer Note 37 to the standalone financial statements)

      iii. There were no amount which were required to be transferred, to the Investor Education and Protection Fund by the Company. (Refer Note 38 to the standalone financial statements)

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vikas Khurana
(Partner)
(Membership No. 503760)
UDIN: 21503760AAAACA6038

Place: Gurugram
Date: August 04, 2021

Report on Internal Financial Controls Over Financial Reporting

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Sistema Smart Technologies Limited (Formerly known as Sistema Shyam Teleservices Limited) ("the Company") as of March 31, 2021 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. 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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in

the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vikas Khurana
(Partner)
(Membership No. 503760)
UDIN: 21503760AAAACA6038

Place: Gurugram
Date: August 04, 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed and ownership documents provided, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold (disclosed as "Assets classified as held for sale" in the financial statements) are in the name of the Company as at the balance sheet date.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Companies (Auditor's Report) Order, 2016 ("the CARO 2016")is not applicable.

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

(iv) The Company has not granted any loans, made investments or provided guarantees under Sections 185 and 186 of the Companies Act, 2013, hence, reporting under clause (iv) of the CARO 2016 is not applicable.

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

(vi) Having regard to the nature of the Company's business / activities, the maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

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

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Goods and Services tax,cess and other material statutory dues applicable to it to the appropriate authorities. Also, refer to the note 29(a) in the financial statement regarding management assessment on certain matters relating to the provident fund.

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

(c) There are no dues of Income Tax, Goods and Services Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited as on March 31, 2021 on account of disputes. Details of dues of Services Tax and Value Added Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where the Dispute is pending	Period to which the amount pertains	Amount Involved* (Rs. In million)	Amount Unpaid (Rs. In million)
Kerala Commercial Tax Act, 2003	VAT	High Court	2011-12 2015-16	37.94	37.94
Finance Act, 1994 (Service tax provisions)	Service Tax	Custom, Excise, Service tax Appellate Tribunal	2008-09, 2009-10, 2010-11 & 2013-14	381.76	291.88
Finance Act, 1994 (Service tax provisions)	Service Tax	Commissioner (Appeals)	2008-09 To 2009-10	1.33	1.33

*amount as per demand orders including interest and penalty wherever quantified in the order.

The following matters, which have been excluded from the table above, have been decided in favour of the Company but the department has preferred appeals at higher levels. The details are given below:

Name of Statute	Nature of Dues	Forum where Department has preferred appeals	Period to which the amount relates	Amount Involved* (Rs. in million)	Amount Unpaid (Rs. In million)
Rajasthan VAT Act, 2003	VAT	Tax Board	2007-08 to 2009-10	2.33	1.43

*amount as per demand orders including interest and penalty wherever quantified in the order.

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the CARO 2016 is not applicable to the Company.

(ix) In our opinion and according to the information and explanations given to us, Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or by way of term loans during the year, hence reporting under clause (ix) of the CARO 2016 is not applicable.

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

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary company or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence, reporting under clause (xvi) of the CARO 2016 is not applicable to the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vikas Khurana
(Partner)
(Membership No. 503760)
UDIN: 21503760AAAACA6038

Place: Gurugram
Date: August 04, 2021

Standalone Balance Sheet as at 31 March 2021

(All amounts in Rupees million, except per share amounts unless stated otherwise)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	3	4
Capital work-in-progress	3	-	-
Right of use assets	3(a)	1	3
Financial assets			
Investment	4		
Investment in subsidiary		-	-
Other non current financial assets	6	-	451
Non-current tax assets (net)		79	186
Other non current assets	7	134	144
		217	**788**
Current assets			
Financial assets			
Trade receivables	8	26	27
Cash and cash equivalents	9	10	9
Other bank balances	10	1,910	2,216
Loans	5	5	7
Other current financial assets	6	45	59
Current tax assets (net)		7	-
Other current assets	7	40	69
		2,043	**2,387**
Assets classified as held for sale	3 (b)	31	32
		2,074	**2,419**
Total Assets		**2,291**	**3,207**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	23,940	23,940
Other equity	12	(218,589)	(195,826)
		(194,649)	**(171,886)**
Non-current liabilities			
Financial liabilities			
Borrowings	13	195,203	172,550
Provisions	14	10	15
		195,213	**172,565**
Current liabilities			
Borrowings	13	-	720
Trade payables	15		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of trade payables other than micro enterprises and small enterprises		842	889
Lease liability	16 (a)	-	1
Other current financial liabilities	16	7	34
Provisions	14	873	874
Other current liabilities	17	5	10
		1,727	**2,528**
Total Equity and Liabilities		**2,291**	**3,207**
See accompanying notes to the financial statements	1-41		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Vikas Khurana
Partner

Place : Gurugram
Date : 04 August 2021

For and on behalf of the Board of Directors

Sergey Savchenko
Chairman
DIN - 02891905

Neera Sharma
Whole Time Director & CEO
DIN - 00975300

Vinay Mittal
Chief Financial Officer
Place : Singapore
Date : 04 August 2021

Archit Sood
Company Secretary

Statement of Profit and Loss for the year ended 31 March 2021

(All amounts in Rupees million, except per share amounts unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	**18**	58	141
Other income	**19**	172	207
Total income (I)		**220**	**348**
Expenses			
Purchase of stock in trade		2	44
Employee benefit expense	**20**	119	157
Depreciation	**3**	1	5
Finance cost	**21**	22,745	20,187
Other expenses	**22**	126	168
Total expenses (II)		**22,993**	**20,561**
Loss before exceptional item and tax (III= I-II)		(22,763)	(20,213)
Exceptional item (net) (IV)	**29 (b)**	0	590
Loss before tax (V=III-IV)		**(22,763)**	**(20,803)**
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Loss for the year		**(22,763)**	**(20,803)**
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurement gains/ (lossess) on defined benefit plans (refer note 36)	**12**	0	(0)
Income tax relating to these items		-	-
Total other comprehensive income/ (loss)		**0**	**(0)**
Total Comprehensive Income/ (loss) for the year, net of tax		**(22,763)**	**(20,803)**
Earnings/(loss) per equity share (for continuing operations);	**23**		
(1) Basic		(9.51)	(8.69)
(2) Diluted		(9.51)	(8.69)
See accompanying notes forming part of the financial statements	**1-41**		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Vikas Khurana
Partner

Place : Gurugram
Date : 04 August 2021

For and on behalf of the Board of Directors

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Chairman
DIN - 02891905

Neera Sharma
Whole Time Director & CEO
DIN - 00975300

Vinay Mittal
Chief Financial Officer
Place : Singapore
Date : 04 August 2021

Archit Sood
Company Secretary

Standalone Statement of Cash Flows for the year ended 31 March 2021

(All amounts in Rupees million, except per share amounts unless stated otherwise)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flows from operating activities:		
Net loss before tax and exceptional item	(22,763)	(20,213)
Adjustments for:		
Depreciation expense	1	5
Interest income	(126)	(184)
Finance costs	22,694	20,140
Liabilities written back	(35)	(20)
Unrealised foreign exchange loss/ (gain), net (refer note 36)	0	(1)
Gain on sale of property, plant and equipment, assets held for sale and right of use assets	(10)	(1)
Operating cash flow before changes in assets and liabilities	**(239)**	**(274)**
Movement in working capital :		
- (Increase)/decrease in trade receivables	2	20
- (Increase)/decrease in other receivables (current- non current)	43	(28)
- Increase/(decrease) in trade payables and financial liabilities	(12)	(98)
- Increase/(decrease) in other liabilities (current- non current)	(4)	(3)
- Increase/(decrease) in provisions (refer note 36)	(6)	(0)
Cash generated from operations	**(216)**	**(383)**
Income taxes (paid)/ refund	101	15
Net cash flow from / (used in) operating activities	**(115)**	**(368)**
B. Cash flows from investing activities:		
Payments for property, plant and equipment (refer note 36)	(0)	(1)
Proceeds from sale of property plant and equipment	2	1
Proceeds from sale of assets held for sale	2	-
Proceeds from sale of right of use assets	7	-
Proceeds from maturity of bank balances not considered as cash and cash equivalents	(6)	2
Interest received	138	216
(Increase)/decrease in margin money deposit	763	52
Net cash flow from / (used in) investing activities	**906**	**270**
C. Cash flows from financing activities:		
Payment of lease liability (refer note 36)	(0)	(1)
Proceeds from current borrowings	30	160
Repayments of current borrowings	(750)	(90)
Interest and other finance charges paid	(70)	(57)
Net cash flow from / (used in) financing activities	**(790)**	**12**
Net increase / (decrease) in cash and cash equivalents during the year	**1**	**(86)**
Add : Cash and cash equivalents as at the beginning of the year	**9**	**95**
Cash and cash equivalents as at the end of the year (refer note 9)	**10**	**9**

See accompanying notes forming part of the financial statements **1-41**

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Vikas Khurana
Partner

Place : Gurugram
Date : 04 August 2021

For and on behalf of the Board of Directors

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Whole Time Director & CEO
DIN - 00975300

Vinay Mittal
Chief Financial Officer
Place : Singapore
Date : 04 August 2021

Archit Sood
Company Secretary

Standalone Statement of Changes in Equity for the year ended 31 March 2021

(All amounts in Rupees million, except per share amounts unless stated otherwise)

			Equity share capital			
	Equity share capital	**Equity component of Redeemable Preference Shares**	**Capital reserve**	**Investment revaluation reserve**	**Retained earnings**	**Total equity**
As at 31 March 2019	23,940	60,378	6,804	(34)	(242,171)	(151,083)
Profit/ (loss) for the year	0	0	0	0	(20,803)	(20,803)
Other comprehensive income/ (loss) (refer note 36)	0	0	0	0	(0)	(0)
Total comprehensive income/ (loss) for the year	**0**	**0**	**0**	**0**	**(20,803)**	**(20,803)**
As at 31 March 2020	**23,940**	**60,378**	**6,804**	**(34)**	**(262,974)**	**(171,886)**
As at 1 April 2020	**23,940**	**60,378**	**6,804**	**(34)**	**(262,974)**	**(171,886)**
Profit/ (loss) for the year	0	0	0	0	(22,763)	(22,763)
Other comprehensive income/ (loss) (refer note 36)	0	0	0	0	0	0
Total comprehensive income/ (loss) for the year	**0**	**0**	**0**	**0**	**(22,763)**	**(22,763)**
As at 31 March 2021	**23,940**	**60,378**	**6,804**	**(34)**	**(285,737)**	**(194,649)**

See accompanying notes forming part of the financial statements **1-41**

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Vikas Khurana
Partner

Place : Gurugram
Date : 04 August 2021

For and on behalf of the Board of Directors

Sergey Savchenko
Chairman
DIN - 02891905

Neera Sharma
Whole Time Director & CEO
DIN - 00975300

Vinay Mittal
Chief Financial Officer

Archit Sood
Company Secretary

Place : Singapore
Date : 04 August 2021

Notes to Standalone financial statements for the year ended 31 March 2021

(All amounts in Rupees million, except per share amounts unless stated otherwise)

1) Background

(a) *Corporate Information*

Sistema Smart Technologies Limited ('the Company' or 'SSTL'), was incorporated on 20 April 1995.

The shareholding of Sistema PJSFC ('SISTEMA') and Russian Federation are 75.62% and 22.86% respectively. SISTEMA continues to be the holding company of SSTL.

Currently the Company is engaged in the business of providing managed services and sale of equipment.

The financial statements were authorized for issue in accordance with the resolution of the directors dated 4 August 2021.

(b) During the year ended 31 March 2021, the Company has incurred a loss of Rs 22,763(2020- 20,803) and cash loss of Rs. 109 (2020-146). Accumulated loss of the Company as on 31 March 2021, Rs 285,737(2020- 262,974) and the Company has a negative net worth of Rs 194,649 (2020- 171,886) after adjusting accumulated losses.

The Company is evaluating number of business options and started providing strategic and operational management services on long term contract basis.

Further, as indicated in note 13 (a), the redemption of the RPS shall start from the year 2022-23. In this regard, the Company shall utilise the available funds at the time of redemption. Further as per the terms of the agreement the parties may mutually decide to extend the redemption period (upto 20 years). Further, both the companies are evaluating option of either conversion to equity/ merger of both the companies/ redemption (fully or partially) based on availability of the funds with the Company. In any event INSITEL Services Private Limited will not initiate liquidation of SSTL for recovery of amount due on redemption of RPS.

In view of above, these financial statements have been prepared using the going concern assumption.

2) Significant accounting policies

2.1) Statement of compliance

The financial statements of the Company have been prepared in accordance with accounting standards ('Ind ASs') notified under the Companies (Indian accounting standards) rules, 2015 as amended.

2.2) Basis of preparation

The financial statements of the Company 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.

The financial statements are prepared on historical cost basis, except for certain financial assets and liabilities that are measured at fair value as required under relevant Ind AS.

The financial statements are presented in millions of Indian Rupees, which is the Company's functional and presentation currency, and all amounts are rounded to the nearest million, except per share, per debenture amounts unless stated otherwise.

2.3) Summary of significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

(a) Current versus non-current classification

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

An asset is classified as current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle.

(ii) Held primarily for the purpose of trading.

(iii) Expected to be realised within twelve months after the reporting period, or

(iv) 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:

(i) It is expected to be settled in normal operating cycle.

(ii) It is held primarily for the purpose of trading.

(iii) It is due to be settled within twelve months after the reporting period, or

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

(All amounts in Rupees million, except per share amounts unless stated otherwise)

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency. All the items included in the financial statements are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(c) Fair value measurement

The Company measures financial instruments 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

(iii) 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements 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.

(d) Revenue recognition

Service revenues

Ind AS 115, 'Revenue from Contracts with Customers' is applicable with effect from 1 April 2018. Based on the evaluation of existing contracts, the effect on transition to Ind AS 115 is insignificant.

Revenue from shared services is recognized on the basis of contracts with customer and when there is certainty of collection from customer.

Revenue from the sale of products or services is recognized upon transfer of control to customers. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as

(All amounts in Rupees million, except per share amounts unless stated otherwise)

specified in the contract, excluding amounts collected on behalf of third parties (for example, taxes and duties collected on behalf of the government). A receivable is recognized upon satisfaction of performance obligations as per the Contracts.

Sale of goods:

Revenue from products are recognised when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Company collects Goods and service tax on behalf of the government and therefore, it is not an economic benefit owing to the Company, hence it is excluded from revenue.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate. Interest income is included under the head 'other income' in the Statement of Profit and Loss.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(e) Taxes

(i) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Company operates and generates taxable income.

(ii) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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 re-assessed 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 profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income ('OCI') or directly in equity.

(f) Property, plant and equipment ('PPE')

Property, plant and equipment, Capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Refer to note 24 regarding provision and significant accounting judgements, estimates &assumptions for further information about the recorded asset retirement obligation.

In respect of accounting periods commencing on or after 7 December 2006 exchange differences arising on reporting of the long term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in the previous financial statements are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, if these monetary items pertain to the acquisition of a depreciable fixed asset.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Years
Freehold land is not depreciated	
Buildings	20
Plant and equipment	3 to 6
Computers	3
Furniture and fixtures	6
Office equipment	5
Vehicles	5

Depreciation on PPE has been provided as per the useful life prescribed in Schedule II to the Companies Act 2013 other than in respect of building, plant and equipment, furniture and fixtures and vehicles, in whose case the life of the assets has been assessed based on technical advice, taking into account the nature, the estimated usage, operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance practices etc.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

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

PPE individually costing less than rupees five thousand are fully depreciated in the year of acquisition.

(g) Assets Held for Sale

Assets are classified as 'held for sale' when all the following criteria are met:

(i) decision has been made to sell,

(ii) the assets are available for immediate sale in its present condition,

(iii) the assets are being actively marketed and

(iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such assets classified as 'held for sale' are measured at the lower of it carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated.

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale, including interest attributable to the funding of license fees with respect to new circles up to the date of commencement of commercial operations, are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(i) Leases

The company has applied Ind AS 116 with effect from 1 April 2019 using the modified retrospective.

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.

The Company recognizes right-of-use asset (ROU) representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is 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 (ROU) 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.

Company as a lessee

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create

(All amounts in Rupees million, except per share amounts unless stated otherwise)

an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate calculated as the weighted average rate specific to the portfolio of leases with similar characteristics."

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

The Company may elect not to apply the requirements of Ind AS 116 to leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

Lease rentals under operating lease are recognised as income on a straight-line basis over the lease term. In case the payments to the lessor are structured to increase in line with the general expected inflation to compensate for the lessor's expected inflationary cost increases, then straight lining of operating lease rentals is not required.

(j) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. Impairment losses of continuing operations are recognised in the Statement of Profit and Loss.

(k) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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.

Contingencies

Provision in respect of litigation relating to claims assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably. Such provisions are not discounted to their present value and are determined based on management's estimation of the obligation required to settle the obligation at Balance Sheet date. These are reviewed at Balance Sheet date and adjusted to reflect management's current estimates.

(l) Retirement and other employee benefits

Short-term employee benefits

Short term employee benefits are recognised in the year at undiscounted amount of benefits expected to be paid in exchange of related services.

Long-term employee benefits

Defined contribution plan

Provident fund and employees' state insurance schemes

All employees of the Company are entitled to receive benefits under the provident fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India.

The Company recognises contribution payable to both these schemes as an expense, when an employee renders the related service. The Company has no further obligations under these plans beyond its monthly contributions.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

Defined benefit plan

Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the gratuity plan based on actuarial valuations in accordance with Ind AS 19 'Employee Benefits'. The cost of providing benefits under the defined benefit plan is determined using the Projected Unit Credit Method.

Re-measurements, comprising of actuarial gains and losses, the effect of changes in the asset ceiling (excluding amounts included in net interest on the net defined benefit liability)is recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Re-measurements are recognised in OCI and are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

(i) The date of the plan amendment or curtailment, and

(ii) The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

(i) Service costs comprising current service costs. past-service costs, gains and losses on curtailments and non-routine settlements; and

(ii) Net interest expense or income

Other long term employee benefit

Compensated absences

The Company has provided for the liability at year end on account of unavailed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

(m) 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

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Investment in equity instruments at fair value through other comprehensive income ('FVTOCI')

On initial recognition, the Company can make an irrevocable election to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instruments.

A financial assets is held for trading if

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of the portfolio of identified financial instruments that the Company has to swap with Companies shares.

Financial assets at fair value through profit or loss (FVTPL)

Investment in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent change in fair value in other comprehensive income for investments in equity instruments.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

(All amounts in Rupees million, except per share amounts unless stated otherwise)

(i) Debt instruments at amortised cost

(ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

(iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

(iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows. and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

De-recognition

A financial asset (or where applicable a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognised (i.e. removed from the Company's Balance Sheet) when:

(i) The contractual rights to receive cash flows from the asset have expired, or

(ii) 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.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(i) Financial assets that are debt instruments are measured at amortised cost e.g., deposits, trade receivables.

(ii) Lease receivables

(iii) Trade receivables or any contractual right to receive cash or another financial asset.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

(i) Trade receivables or contract revenue receivables; and

(ii) All lease receivables resulting from transactions

The application of simplified approach does not require the Company to track changes in credit risk.

Receivables are stated net of provision for doubtful debts.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition

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 Profit and Loss.

This category generally applies to borrowings. For more information refer Note 13.

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.

Preference shares

The Company had issued Non-Cumulative Non-Convertible Redeemable Preference Shares (RPS) in multiple tranches. Each Non-Cumulative Non-Convertible Redeemable Preference Share carry non-cumulative preferential dividend @ 0.01% p.a. RPS are redeemable upon the completion of ten years from the respective date of issue at the issue price (face value including issue premium) along with redemption premium per annum. Further, any variation (extension or reduction) in the tenure is subject to the mutual agreement of both parties and extension shall not exceed twenty years from the respective date of issue.

RPS that are treated as financial liability in accordance with the requirements of Ind AS 32, are initially recognised at fair value and subsequently measured at amortised cost using effective interest rate method (EIR), considering premium on redemption.

Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

(n) Earnings per share

The earnings considered in ascertaining the Company's Earnings per Share ('EPS') comprise the net profit / (loss) for the year. The number of shares used in computing basic EPS is the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares, if any which would have been used in the conversion of all dilutive potential equity shares.

(o) Segment reporting

The Company's primary operating business is organised and managed according to the nature of services which is managed services. The analysis of geographical segment is based on the area in which the Company operates.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

3) Property, plant and equipment

	Freehold land	Building	Plant and equipment	Computers	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work in progress
Cost									
At 31 March 2019	2	44	8	2	0	3	3	62	0
Additions (refer note 36)	-	-	1	0	-	-	-	1	-
Disposals (refer note 36)	-	-	(0)	(0)	-	(1)	(0)	(1)	(0)
Reclassified as held for sale (refer note 3(b) & 36)	(2)	(44)	-	-	-	-	-	(46)	-
At 31 March 2020	**-**	**-**	**9**	**2**	**0**	**2**	**3**	**16**	**-**
Additions (refer note 36)	-	-	0	0	-	-	-	0	-
Disposals (refer note 36)	-	-	-	(0)	(0)	(0)	(1)	(1)	-
Reclassified as held for sale (refer note 3(b)	-	-	-	-	(0)	(0)	-	(0)	-
At 31 March 2021	**-**	**-**	**9**	**2**	**-**	**2**	**2**	**15**	**-**
Accumulated Depreciation									
At 31 March 2019	-	11	5	1	-	3	3	23	-
Depreciation charge for the year (refer note 36)	-	3	1	0	0	0	0	4	-
Eliminated on disposals of assets (refer note 36)	-	-	(0)	(0)	-	(1)	(0)	(1)	-
Eliminated on reclassification as held for sale (refer note 36)	-	(14)	-	-	-	-	-	(14)	-
At 31 March 2020	**-**	**-**	**6**	**1**	**0**	**2**	**3**	**12**	**-**
Depreciation charge for the year (refer note 36)	-	-	1	0	0	0	-	1	-
Eliminated on disposals of assets (refer note 36)	-	-	-	(0)	(0)	(0)	(1)	(1)	-
Eliminated on reclassification as held for sale (refer note 36)	-	-	-	-	(0)	(0)	-	(0)	-
At 31 March 2021	**-**	**-**	**7**	**1**	**-**	**2**	**2**	**12**	**-**
Net Carrying Amount									
At 31 March 2020 (refer note 36)	-	-	3	1	0	0	0	4	-
At 31 March 2021 (refer note 36)	-	-	2	1	-	0	-	3	-

a) Right of use assets

	Leasehold land	Building	Total
Cost or deemed cost			
At 31 March 2020	2	2	4
Additions	-	-	-
Eliminated on disposals of assets (refer note 36)	(1)	(2)	(3)
At 31 March 2021	**1**	**-**	**1**
Accumulated Amortisation			
Balance as at 1 April 2020	0	1	1
Depreciation charge during the year (refer note 36)	0	1	1
Eliminated on disposals of assets (refer note 36)	(0)	(2)	(2)
At 31 March 2021	**0**	**-**	**0**
Net Carrying Amount			
At 31 March 2020	2	1	3
At 31 March 2021	1	-	1

b) Assets classified as held for sale

During the last financial year,The Company has decided and approved to dispose of certain property, plant and equipment, accordingly, the property, plant and equipment have been classified as assets held for sale.

The proceeds of disposal are expected to exceed the net carrying amount of the relevant property, plant and equipment; accordingly, no impairment loss has been recognized on the classification of these property, plant and equipment as held for sale.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

4. Investments

	As at 31 March 2021	As at 31 March 2020
Investment measured at cost		
In equity shares of subsidiary company		
Unquoted, fully paid up		
Sistema Internet Services Limited (SISL)		
750,000 (2020- 750,000) equity shares of Rs 10 each	8	8
Less: Provision on investment	(8)	(8)
Total investment at cost	-	-
Aggregate amount of unquoted investment	8	8
Aggregate provision on investment	(8)	(8)

5. Loans

	As at 31 March 2021	As at 31 March 2020
Total current	5	7
Total non-current	-	-
	5	**7**

6. Other financial assets

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Bank deposits (with more than 12 months maturity)	-	451
Unbilled revenue	-	2
Interest accrued on fixed deposits	45	57
Total	**45**	**510**
Total current	45	59
Total non-current	-	451
	45	**510**

7. Other assets

	As at 31 March 2021	As at 31 March 2020
Non- current		
Unsecured, considered good		
Prepaid expenses	1	17
Balances with government authorities (other than income tax)	103	96
Advance paid under protest		
Service tax	24	24
Value added tax	6	7
Total	**134**	**144**

(All amounts in Rupees million, except per share amounts unless stated otherwise)

Current		
Unsecured, considered good		
Advances for value to be received (refer note 36)	0	0
Prepaid expenses	27	39
Balances with government authorities (other than income tax)	13	30
Total	**40**	**69**

Balances with government authorities (other than income tax)-GST authority

Particulars	**Non-Current**		**Current**	
	31-03-2021	**31-03-2020**	**31-03-2021**	**31-03-2020**
Balance available -GST authority (gross)	122	96	13	30
Less: Provision	19	-	-	-
Balance available-GST authority (net)	**103**	**96**	**13**	**30**

8. Trade receivables

	As at 31 March 2021	**As at 31 March 2020**
Trade receivables	34	33
Less: Allowance for credit losses	(10)	(7)
	24	**26**
Receivables from related parties (refer note 30)	66	70
Less: Allowance for credit losses	(64)	(69)
Total trade receivables	**26**	**27**

Break-up for trade receivables

	As at 31 March 2021	**As at 31 March 2020**
Secured, considered good	-	-
Unsecured, considered good	26	27
Doubtful	74	76
	100	103
Less: Allowance for credit losses	(74)	(76)
Total trade receivables	**26**	**27**

9. Cash and cash equivalents

For the purpose of the Statement of Cash Flow, cash and cash equivalents includes cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flow can be reconciled to the related item in the Balance Sheet as follow:

	As at 31 March 2021	**As at 31 March 2020**
Balance with banks:		
On current accounts	5	4
Deposits with original maturity of less than three months	5	5
Cash on hand (refer note 36)	0	0
Total cash and cash equivalents	**10**	**9**

10. Other bank balances

	As at 31 March 2021	**As at 31 March 2020**
Deposits with maturity of more than three months but less than twelve months	6	-
Margin money deposits	1,904	2,216
Total other bank balances	**1,904**	**2,216**

Margin money deposit primarily related to earmarked balances with the bank against the bank guarantee issued in favor of relevant statutory authorities.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

11. Share Capital

a) Authorised share capital

	Equity shares		Preference shares	
	No. in millions	Amount	No. in millions	Amount
At 31 March 2019	19,000	190,000	6,000	60,000
Increase/(Decrease) during the year	-	-	-	-
At 31 March 2020	19,000	190,000	6,000	60,000
Increase/(Decrease) during the year	-	-	-	-
At 31 March 2021	19,000	190,000	6,000	60,000

Terms/rights attached to equity shares

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

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.

The preference share is having a par value of Rs 10 per share.

b) Issued equity share capital

Issued equity capital

	No. in millions	Amount
Equity shares of Rs 10 each issued, subscribed and fully paid		
At 31 March 2019	2,394	23,940
At 31 March 2020	2,394	23,940
At 31 March 2021	2,394	23,940

c) Shares held by the holding company and their subsidiaries

Out of equity shares issued by the Company, shares held by its holding company and their subsidiaries are as below:

	As at 31 March 2021	As at 31 March 2020
SISTEMA PJSFC, holding company		
1,810,289,400 [31 March 2020: 1,810,289,400] equity shares of Rs 10 each	18,103	18,103

d) Details of shareholders holding more than 5% equity shares in the Company

	As at 31 March 2021		As at 31 March 2020	
Name of the Shareholders	No. in millions	% holding in the class	No. in millions	% holding in the class
Equity shares of Rs 10 each, fully paid				
Sistema PJSFC, the holding company	1810	76%	1810	76%
Russian Federation	547	23%	547	23%

(All amounts in Rupees million, except per share amounts unless stated otherwise)

12. Other equity

Particulars	As at 31 March 2019	Profit/ (loss) for the year	OCI (refer note-36	As at 31 March 2020	Profit/ (loss) for the year	OCI (refer note-36	As at 31 March 2021
Equity component of Redeemable Preference Shares	60,378	-	-	60,378	-	-	60,378
Capital reserve	6,804	-	-	6,804	-	-	6,804
Retained earnings	(242,171)	(20,803)	(0)	(262,974)	(22,763)	0	(285,737)
Investment revaluation reserve	(34)	-	-	(34)	-	-	(34)
Total	**(175,023)**	**(20,803)**	**(0)**	**(195,826)**	**(22,763)**	**0**	**(218,589)**

Nature of reserves

a) **Equity component of Non-Cumulative Non-convertible Redeemable Preference Shares ('RPS')**:- As per Ind AS 109, the RPS have been recorded at fair value. The differential amount (i.e. difference between the transaction price and the fair value) has been considered as other equity. The Company has not issued any RPS during the current financial year and previous financial year. Total preference shares issued till 31 March 2021(14,169,400 of Rs. 10 each (total issued value Rs 142)) are classified as financial liability as well as other equity (refer note 13(a)).

b) **Retained earnings: -**Retained earnings are the profits/losses that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

c) **Capitalreserve: -**The gain on cancellation of own equity share has been routed through other equity (other component of equity) and shown under capital reserve.

d) **Investment revaluation reserve: -** Investment revaluation reserve is the profit/(loss) on investment in equity instrument measured at FVTOCI.

13. Borrowings

	Effective rate of interest	Maturity date	Foot note	As at 31 March 2021	As at 31 March 2020
Non-current borrowings					
Unsecured					
From other parties					
Non Cumulative Non-convertible Redeemable Preference Shares of Rs 10 each fully paid-up from related party (fellow subsidiary)	11.84% to 14.86%	2022-2027	13 (a)	195,203	172,550
Total non-current borrowings				195,203	172,550
Less: Amount clubbed under "Other current financial liabilities"				-	-
Net non-current borrowings				195,203	172,550
Current borrowings					
Secured					
From other parties					
Term loan - from related party (fellow subsidiary)	10.00%	2020	13 (b)	-	720
Total current borrowings				-	720
Aggregated secured loans				-	720
Aggregated unsecured loans				195,203	172,550

(All amounts in Rupees million, except per share amounts unless stated otherwise)

a) Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs 10 each fully paid-up ('RPS')

The RPS are redeemable upon the completion of ten years from the respective date of issue at the issue price (face value including issue premium) along with redemption premium per annum as mentioned below:

Face value of tranches		Year of receipt	Redemption premium (p.a.)
Prefernce share capital	Prefernce share premium		
44	43,856	2012-13	9.77%
16	16,084	2012-13	9.63%
15	14,773	2013-14	9.63%
4	4,070	2013-14	9.80%
15	15,457	2013-14	9.87%
4	4,305	2014-15	9.87%
22	21,898	2015-16	9.95%
12	12,233	2016-17	9.89%
3	2,568	2016-17	9.87%
2	2,027	2016-17	9.76%
2	1,911	2017-18	9.76%
2	2,371	2017-18	9.65%
142	**141,554**		

As per Ind AS 109, the RPS have been recorded at fair value. The differential amount (i.e. difference between the transaction price and the fair value) has been considered as other equity.

The Company has issued RPS of Rs.141,694 (including security premium) till 31 March 2021. The Company need to repay RPS including redemption premium in the following years: -

Year	Amount (Rs. Mn)
2022-23	118,395
2023-24	67,840
2024-25	8,563
2025-26	43,730
2026-27	33,469
2027-28	8,444
Total	**280,441**

b) Loan from fellow subsidiary

On 25 October 2018, the fellow subsidiary had sanctioned a short-term loan facility ("Facility") of Rs. 1,300 to the Company. During the current financial year the tenure of the facility was further extended upto 24.10.2021.

During the current Financial year, the Company has repaid all the amounts (including interest thereof) outstanding under the Facility and the current outstanding under the facility is Rs. Nil (2020 Rs. 720).

The Facility is secured by way of first charge on all present and future movable assets of the Company including book debts, cash and bank balances (except for the fixed deposits provided as security under other facilities), inventory, security deposit & actionable claims.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

14 Provision

	Provision for employee benefits- Compensated absences (refer note 28)	Provision for employee benefits- Gratuity (refer note 28)	Provision for contingencies note 29)	Total
At 31 March 2019	9	2	288	299
Additional provision during the year	6	2	590	598
Interest accretion	1	-	-	1
Provision utilised/adjusted during the year	(2)	-	(7)	(9)
At 31 March 2020	14	4	871	889
Additional provision during the year	2	1	-	3
Interest accretion	1	0	-	1
Provision utilised/adjusted during the year	(9)	(1)	-	(10)
At 31 March 2021	**8**	**4**	**871**	**883**
Current Year				
Total current	1	1	871	873
Total non-current	7	3	-	10
Previous Year				
Total current	2	1	871	874
Total non-current	12	3	-	15

15 Trade payables

	As at 31 March 2021	As at 31 March 2020
Trade payables	842	889
Total	**842**	**889**

16 Other current financial liabilities

	As at 31 March 2021	As at 31 March 2020
Other current financial liabilities at amortised cost		
Interest accrued but not due	-	27
Sundry creditors for capital goods	7	7
Total	**7**	**34**

16 (a) Lease Liability

	As at 31 March 2021	As at 31 March 2020
Balance as at	1	2
Additions during the year	-	-
Deletions during the year	(1)	-
Interest accrued during the year (refer note 36)	(0)	0
Payments (refer note 36)	(0)	(1)
Total	**-**	**1**

As per Ind-AS 116 operating lease rent has been charged to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

17 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Statutory dues	2	8
Other liability	3	2
Total	**5**	**10**

18 Revenue from operations (net)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of Goods	4	59
Service revenue	54	82
Total	**58**	**141**

19 Other income

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income earned on financial assets that are not designated as at fair value through profit or loss		
-Interest income	126	184
-Other financial assets carried at amortised cost (refer note 36)	-	(0)
Other non-operating income		
-Profit on property, plant and equipment, assets held for sale and right of use assets	10	1
-Other non-operating income	1	1
-Net gain on foreign currency transaction and translation (refer note 36)	0	1
-Liability write back	35	20
Total	**172**	**207**

20 Employee benefits expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	112	144
Contribution to provident and other funds	5	8
Staff welfare expenses	2	5
Total	**119**	**157**

Defined contribution Plans

Particulars	31 March 2021	31 March 2020
Employer's contribution to provident fund	4	6

(All amounts in Rupees million, except per share amounts unless stated otherwise)

21 Financial costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on borrowings	22,696	20,139
Other interest expense	-	1
Total interest expense	22,696	20,140
Bank charges and commission	49	47
Interest on lease liability (refer note 36)	-	0
Total	**22,745**	**20,187**

22 Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Power and fuel	-	5
Rent	13	16
Insurance (refer note 36)	0	0
Telphone expenses (refer note 36)	0	1
Network managed services	11	19
Sales expenses	1	10
Travelling and conveyance expenses	1	14
IT support and services expenses	1	3
Customer service and call centre expenses	-	2
Legal and professional fees	49	70
Rates and taxes	31	10
Auditors' remuneration*	4	2
Allowances for credit losses/ advances	10	7
Miscellaneous expenses	5	9
	126	**168**

* Payment to Auditors

	For the year ended 31 March 2021	For the year ended 31 March 2020
As Auditor:		
Audit fee	2	2
In other capacity:		
Other services (certification fees) (refer note 36)	2	0
Reimbursement of expenses (refer note 36)	0	0
	4	**2**

** As per Ind-AS 116 operating lease rent has been charged to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability. Rent expense recorded for short term lease for the year ended 31 March 2021.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

23 Earnings/(loss) Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) for the year attributable to the equity shareholders of the Company by weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the loss and share data used in the basic and diluted EPS computations:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Loss attributable to equity shareholders of the Company	(22,763)	(20,803)
Loss attributable to equity shareholders of the Company (A)	**(22,763)**	**(20,803)**
Weighted average number of equity shares in calculating basic EPS (No. in millions) (B)	2,394	2,394
Weighted average number of equity shares in calculating diluted EPS (No. in millions) (C)	2,394	2,394
Loss per equity share in Rs		
Earning per share		
Basic earnings per share (A/B)	(9.51)	(8.69)
Diluted earnings per share (A/C)	(9.51)	(8.69)

24) 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, 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 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.

Property, plant and equipment

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately at-least as at each reporting date so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. Refer note 2(f) and note 3 for the estimated useful life and carrying value of property, plant and equipment respectively.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed for impairment at each Balance Sheet date if there is any indication of impairment based on internal and external factors. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of the assets value in use and its fair value less costs to sell. 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 or CGU. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset.

An impairment loss is recognised wherever the carrying amount of an asset or CGU exceeds its estimated recoverable amount and are recognised in Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

Impairment losses recognised in previous period are assessed at each Balance Sheet date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Going Concern

Based on the revised business model after demerger of telecom business, the Company is confident that it would be able to arrange funds for long term and operations.

In view of above, these financial statements have been prepared using the going concern assumption. Refer Note 1(b) for detailed disclosure on going concern assumption of the Company.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity) and compensated absences

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation and leave encashment 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 Balance Sheet date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity and compensated absences obligations are given in Note 28.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk, volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 13 and 25 for further disclosures.

As per Ind AS 109, the RPS have been recorded at fair value. The differential amount (i.e. difference between the transaction price and the fair value) has been considered as other equity. For determination of fair value, the discount rate has been calculated based on risk free rate along with adjustment for credit spread and illiquidity premium.

Provision for contingencies

The Company provide for the contingencies when it has a present obligation as a result of past event, it is more likely than not that an outflow of resources will be required to settle the obligation as described in Note 14 in respect of which a reliable estimate can be made. Provision for contingencies are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates (also refer note 29).

(All amounts in Rupees million, except per share amounts unless stated otherwise)

25 Fair values

The carrying value of the Company's financial instruments by categories by as follows:

	Measured at amortised Cost*	
	As at 31 March 2021	**As at 31 March 2020**
Financial assets		
At Amortised cost		
Security Deposits	5	7
Trade receivables	26	27
Cash and cash equivalents	10	9
Other bank balances	1,910	2,216
Other financial assets	45	59
Total	**1,996**	**2,318**
Financial liabilities		
Non- current borrowings	195,203	172,550
Current borrowings	-	720
Trade payables	842	889
Interest accrued but not due	-	27
Sundry creditors for capital goods	7	7
Total	**196,052**	**174,193**

* The carrying value of above financial assets and financial liabilities approximate its fair value.

Fair values

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company determines fair values of financial assets and financial liabilities by discounting contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. Further, the subsequent measurement of all financial assets and financial liabilities is at amortised cost, using the effective interest method.

Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowings of the Company and in case of financial assets is the average market rate of similar credit rated instrument.

Fair value of financial assets and financial liabilities is the amount that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed 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 whole:

Level 1: quoted (unadjusted) prices in active market for identical assets and liabilities.

Level 2: valuation techniques for which the lowest level of input that has a significant effect on the fair

value measurement are observable, either directly or indirectly.

Level 3: valuation techniques for which the lowest level of input that has a significant effect on the fair

value measurement is not based on observable market data.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

	Level 1	Level 2	Level 3
At 31 March 2021			
Financial assets	-	-	1,965
Financial liability	-	-	196,052
At 31 March 2020			
Financial assets	-	-	2,284
Financial liability	-	-	174,193

There have been no transfers between Level 1 and Level 2 during the year.

26 Capital management

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

The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the Company may return capital, issue new shares for cash, repay debt, put in place new debt facilities as appropriate.

No changes were made in the objectives, policies or processes during the year ended 31 March 2021.

The Company has Rs Nil borrowings as at 31 March 2021(2020: Rs 720). Undrawn borrowing available as at 31 March 2021is Rs 1,300(2020: Rs 580).

27 Derivative instruments

The Company has not taken any derivative instruments during the current year / previous year.

28 Employee Benefits:

Defined Benefit Plans

Gratuity:

The employee's gratuity fund scheme managed by the Company is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method (PUC). The plan liability is the actuarial present value of the projected accrued benefits as of the beginning and end of the period for active members.

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2021:

	Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income						
	01-Apr-20	Service cost	Net interest expense	Sub-total included in profit or loss (Note 20)	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-Mar-21
Defined benefit obligation	(4)	(1)	(0)	(1)	1	-	0	0	(0)	0	-	(4)
Benefit liability	**(4)**			**(1)**						**0**	**-**	**(4)**

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2020:

	Gratuity cost charged to profit or loss					**Remeasurement gains/(losses) in other comprehensive income**						
	01-Apr-19	**Service cost**	**Net interest expense**	**Sub-total included in profit or loss (Note 20)**	**Benefits paid**	**Return on plan assets (excluding amounts included in net interest expense)**	**Actuarial changes arising from changes in demographic assumptions**	**Actuarial changes arising from changes in financial assumptions**	**Experience adjustments**	**Sub-total included in OCI**	**Contributions by employer**	**31-Mar-20**
Defined benefit obligation	(3)	(2)	(0)	(2)	1	-	0	0	(0)	(0)	-	(4)
Benefit liability	**(3)**			**(2)**						**(0)**	**0**	**(4)**

(All amounts in Rupees million, except per share amounts unless stated otherwise)

The principal assumptions used in determining gratuity for the Company's plans are shown below:

Particulars	31 March 2021	31 March 2020
Discounting rate	6.8%	6.8%
Future salary increase	5.0%	7.0%
Retirement age (years)	60	60
Mortality table	100% of IALM (2012 - 14)	
Ages	**Withdrawal Rate (%)**	
Up to 30 years	10	6
From 31 to 44 years	37	37
Above 44 years	12	3

The discount rate is generally based upon the market yields available on government bonds at the accounting date with a term that matches the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:

Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined obligation (refer note 36)	0	0	0	0

A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined obligation (refer note 34)	0	0	0	0

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Other long-term employee benefits

Compensated absences:

Compensated absences expense recognised in salaries, wages and bonus for the year ended 31 March 2021and 31 March 2020 are as follows:

Particulars	31 March 2021	31 March 2020
Current service cost	2	6
Interest cost	1	1
Actuarial (gain) / loss (refer note 36)	(7)	0
Net Cost	**(4)**	**7**

The principal assumptions used in determining obligations are shown below:

Particulars	31 March 2021	31 March 2020
Discounting rate	6.8%	6.8%
Future salary increase	5.0%	7.0%
Retirement age (years)	60	60
Mortality table	100% of IALM (2006 - 08)	
Ages	**Withdrawal Rate (%)**	
Up to 30 years	10	6
From 31 to 44 years	37	37
Above 44 years	12	3

The principal assumptions are discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

Reconciliation of opening and closing balances of obligations.

Particulars	**31 March 2021**	**31 March 2020**
Change in Projected Benefit Obligation (PBO)		
PBO at beginning of year	14	9
Current service cost	2	6
Interest cost	1	1
Benefits paid	(2)	(2)
Actuarial (gain) / loss	(7)	0
Projected benefit obligation at year end	**8**	**14**

29 Contingent liabilities

	As at 31 March 2021	**As at 31 March 2020**
Matter under litigation		
Entry tax and value added tax	58	57
Service tax	585	596
Others	246	244
Total (A)	**889**	**897**

The management believes that the outcome of these contingencies will be favorable and that a loss is not probable.

a) Provident fund

In view of recent Hon'ble Supreme Court of India Judgement, in the case of "Regional Provident Fund Commissioner (II) Vs Vivekananda Vidyamandir, West Bengal in relation to non-exclusion of certain allowance from the definition of "Wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees Provident Fund & Miscellaneous provision Act, 1952, the Company has obtained legal opinion in the matter. In terms of legal opinion, there are various interpretational issues and thus the Company is in the process of evaluating the impact.

Other Disputed matters not included above

b) License fee and Spectrum Usage charges Matter (AGR)

During earlier years, the Department of Telecommunication ('DoT') had raised demands for payment of license fees, spectrum usages charges ("SUC") and interest (interest on principal and interest on penalty)/penalty thereon for various financial years on account of difference in interpretation of Adjusted Gross Revenue ("AGR") and other assessment related matters. The Company had contested these demands by filing petition/s with the Hon'ble TDSAT. In its Order dated 23 April 2015, the Hon'ble TDSAT set aside all the demands under dispute and directed to the DoT to rework demands for the license fees and SUC payable by the Company in light of the findings, observations and directions made in the Order. The DoT had approached the Hon'ble Supreme court against the order of Hon'ble TDSAT.

On 24 October 2019, the Hon'ble Supreme Court of India delivered a judgement in relation to a long outstanding industry-wide case upholding the view of the DoT in respect of the definition of AGR ('Court Judgement').

Per the details filed by the DoT dated 23.07.2019, the demand of DoT on the Company is Rs. 3,019, which includes AGR liability related to 9 operating circles transferred to Reliance Communications Limited ('RCOM') as well as liability for 21 licenses Quashed in 2012.

As per the SCHEME approved by the High Court of Mumbai and Rajasthan, DoT letter dated 20 October 2017 approving SCHEME and legal opinion obtained by the Company; AGR liability upto Rs. 2,214 for licenses quashed in 2012 and complete AGR liability for 9 operating circles has been transferred to RCOM under the SCHEME.

On 08.04.2021 DoT has filed an affidavit in compliance of Court Judgment. In affidavit, DoT has produced a table wherein DoT has eiterated / confirmed the amount of total dues of RCOM including SSTL's due as well.

The Company, without prejudice and given that matter is pending in court, additional estimated provision of Rs.590 (total provision made of Rs. 863) had been recognized during the previous financial year as exceptional item. The Company expects no additional financial liability in this matter.

c) One Time Spectrum charges ('OTSC')

During 2014-15, DoT issued Show Cause Notice of Rs 6,369 towards One Time Spectrum Charges to the Company for continuation of its services, post cancellation of its 21 telecom licenses, from 2 February 2012 till closure of services in 13 service areas and till last valid date of the licenses in 8 service areas where the Company secured spectrum in the auction conducted by the DoT in March 2013 and new licenses. The Company has submitted its reply to the DoT on 6 January 2015. Subsequently, the DoT has issued a demand notice dated 22 September 2016 of Rs 6,369 and interest thereon of Rs 1,836. The Company has filed a petition in

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Hon'ble TDSAT. While matter was pending with Hon'ble TDSAT, the DoT, vide its letter dated 14 February 2017, revised its demand to Rs 5,849 (excluding interest)and interest thereon of Rs 3,416 and further revised the demand, vide its letter dated 13 June 2017, to Rs 5,849 and interest thereon of Rs 3,699. TDSAT vide its final order dated 10 May 2018 has allowed petition of the Company and directed DOT to issue revised demand as per Order.Based on above order,DOT has revised its demand to Rs. 1,078 and the same has been paid by Company.

DOT has filed Appeal before Hon'ble Supreme Court against TDSAT judgment. Appeal is pending in Hon'ble Supreme Court.

d) Liquidated Damages ('LD')

The Company received a Show Cause Notice ('SCN') dated 17 June 2016 issued by DoT for Liquidated Damages ('LD') in respect of non-fulfillment of roll out obligations of GSM spectrum of Rajasthan Circle. The Company has filed its detailed response dated 1 July 2016 to the SCN with DOT. Since there are no separate roll-out obligations under the UASL and the GSM spectrum granted to the Company was an additional spectrum granted under the existing UASL and does not entail any new roll-out obligations other than as explicitly stated in the UASL. The DoT served a demand vide its letter dated 25 November 2016 of Rs 140. The Company has filed a petition in Hon'ble TDSAT to challenge the demand.

Further, the Company received the demand notices from DoT of Rs 653 in 2010/2011 for LD for non-fulfillment of roll out obligations under the License and the Company has paid (paid under protest) amount of Rs. 594 against the said demand notes. TDSAT vide its order dated 13 January 2012 ordered the quashing of above demands and directed the DoT to re-compute fresh demands based on the directions given in the Order. As of reporting date, the matter is pending before Hon'ble Supreme Court of India. During the year 2016-17, the Company has received the revised demand notices of Rs. 791 from DoT in respect of LD for non-fulfillment of roll out obligations under the License based on above judgement but without considering the procedural delay in various approvals.

Based on its assessment, the Company does not foresee any further liability. During the previous financial year 2017-18 the Company has transferred the liability for above dispute of Rs. 247 to RCOM as per SCHEME.

e) Claims from IP (Infrastructure provider) Vendors

Certain passive infrastructure vendors ('the Vendors') raised claims amounting to Rs 1,868 (2020– 1,868) and interest thereon due to premature termination of the respective service contracts by the Company as a result of discontinuation of operations in the thirteen telecom circles in pursuance of the Order issued by the Hon'ble Supreme Court of India related to cancellation of the Company's Telecom Licenses. These Vendors served notices invoking the dispute resolution mechanism as per the respective service contracts and the matters were referred to the Arbitral Tribunals for adjudication. The Arbitral Tribunals decided the matters in favor of the Company rejecting the claims for premature termination (exit charges) of service contracts. The vendors subsequently filed appeals before the Hon'ble Delhi High Court challenging the orders passed by the Arbitral Tribunals. These appeals are pending before the Hon'ble High Court. The Company has transferred the liability.

30 Related party transactions

List of related Party

(i) Name of related party where control exists

Relation	**Name of the related party**
Holding company	Sistema PJSFC
Subsidiary company	Sistema Internet Services Limited (SISL) (Formerly known as Shyam Internet Services Limited)

(ii) Names of other related parties with whom transactions have taken place during the year

Relation	**Name of the related party**
Key management personnel ('KMP')	-Neera Sharma (Whole Time Director & CEO) -Bharat V Patel (Independent Director) - Vikram Kaushik (Independent Director)

(iii) List of fellow subsidiaries is as below :

(where transactions have taken place during the year)

- Sistema Asia Pte. Limited
- Sistema Asia Capital Pte. Limited
- INSITEL Services Private Limited
- SACAP India Private Limited (Formerly STS Services India Private Limted)
- Sistema Asia Fund Pte. Ltd.

Notes to Standalone financial statements for the year ended 31 March 2021
(All amounts in Rupees million, except per share amounts unless stated otherwise)

Transaction with related parties

Particulars	Year	Nature of relationship									
		Holding Co	Subsidiary Co						KMP**		
		Sistema PJSFC	SISL	Sistema Asia Fund Pte. Ltd.	Sistema Asia Capital Pte. Ltd.	Sistema Asia Pte. Ltd.	INSITEL Services Private Limited	SACAP India Private Limited	Bharat V Patel	Vikram Kaushik	Neera Sharma
Loan repayment	2020-21	-	-	-	-	-	750	-	-	-	-
	2019-20	-	-	-	-	-	90	-	-	-	-
Loan taken	2020-21	-	-	-	-	-	30	-	-	-	-
	2019-20	-	-	-	-	-	160	-	-	-	-
Managerial remuneration	2020-21	-	-	-	-	-	-	-	-	-	20
	2019-20	-	-	-	-	-	-	-	-	-	21
Interest on loan (refer note 2(n) and 13 (a))	2020-21	-	-	-	-	-	22,695#	-	-	-	-
	2019-20	-	-	-	-	-	20,139#	-	-	-	-
Business Support Services (Income)	2020-21	-	-	-	-	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-	-	-	-	-
Shared Service centre fee/ Support Service fee (Income) (refer note 36)	2020-21	-	-	0	6	6	-	3	-	-	-
	2019-20	-	-	-	1	2	-	3	-	-	-
Director's sitting fees	2020-21	-	-	-	-	-	-	-	1	1	-
	2019-20	-	-	-	-	-	-	-	1	1	-
Allowance for credit losses on trade receivables	2020-21	-	-	-	-	-	-	-	-	-	-
	2019-20	-	-	-	-	5	-	-	-	-	-

During the current and previous financial year, the Company has not issued any RPS. Interest on loan (INSITEL Services Private Limited) consist of interest provided on borrowing part of Redeemable Preference Shares of Rs. 22,653 (2020 Rs. 20,062).

Notes to Standalone financial statements for the year ended 31 March 2021
(All amounts in Rupees million, except per share amounts unless stated otherwise)

Balance Outstanding

Particulars	Year	Nature of relationship				
		Subsidiary Co	Fellow Subsidiaries			KMP**
		SISL	INSITEL Services Private Limited	Sistema Asia Capital Pte. Ltd.	Sistema Asia Pte. Ltd.	Neera Sharma
Loan outstanding	31-Mar-2021	-	-	-	-	-
	31-Mar-2020	-	720	-	-	-
Redeemable Preference Share (refer note 2(n) and 13 (a))	31-Mar-2021	-	141,694	-	-	-
	31-Mar-2020	-	141,694	-	-	-
Interest on liability portion of RPS (refer note 2(n) and 13 (a))	31-Mar-2021	-	91,236	-	-	-
	31-Mar-2020	-	91,236	-	-	-
Interest Accrued but not due	31-Mar-2021	-	-	-	-	-
	31-Mar-2020	-	27	-	-	-
Amount recoverable/ Trade receivable	31-Mar-2021	64	-	1	1	-
	31-Mar-2020	64	-	1	5	-
Allowance for credit losses on trade receivables	31-Mar-2021	64	-	-	-	-
	31-Mar-2020	64	-	-	5	-

Terms and conditions of transactions with related parties

The services provided and received from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free (except for loans and redeemable preference share) and settlement occurs in cash.

**The remuneration to the KMP does not include the provisions made for gratuity, compensated absences as they are determined on an actuarial basis for the Company as a whole. Performance link incentive is included in KMP remuneration only when amount became due for payment on fulfilling certain conditions.

INSITEL Services Private Limited (fellow subsidiary of the Company)has given the security to the bank for issuance of Bank Guarantee of Rs. 1,917 (2020: Rs. Nil)

PJSFC Sistema, holding company, has given corporate guarantee of Rs. 1,750 to certain lenders for non fund facilities availed by the Company.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

31 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the group's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

(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, foreign currency risk and price risk. Financial instruments affected by market risk include, interest bearing loans and borrowings and fixed deposits.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments are all constant.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

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 as on reporting date.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent 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, which are included in interest bearing loans and borrowings in these financial statements.

Fair value sensitivity analysis for fixed rate instruments

The Company does not have any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss and neither would it affect the equity.

Foreign currency risk

The Indian Rupee is the Company's most significant currency. As a consequence, the Company's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. 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 year end foreign currency exposures that have not been hedged are Rs 2(USD .03 Mn) [31 March 2020: Rs 1(USD .01Mn)]. The Company has not entered into any derivative arrangements during the year.

The following table demonstrates the sensitivity in the USD to the functional currency of the Company, with all other variable held constant. The impact on the Company's net loss is due to changes in the fair value of monetary assets and liabilities.

Particulars	Effect on loss before tax (increase)/ decrease
For the year ended 31 March 2021	
INR appreciates 5% against USD	(0.11)
INR depreciates 5% against USD	0.11
For the year ended 31 March 2020	
INR appreciates 5% against USD	(0.05)
INR depreciates 5% against USD	0 .05

(b) 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. Credit risk is managed by company's established policy, procedures and control relating to customer credit risk management.

Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	**Note**	**As at 31 March 2021**	**As at 31 March 2020**
Security deposits (current and non - current)	5	5	7
Trade receivables	8	26	27
Other current financial assets	6	45	510
Total		**76**	**544**

The ageing of financial assets at the reporting date was:

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Not past due	50	517
Past due 0-30 days	5	4
Past due 31-90 days	8	9
Past due 90 days-one year	12	11
More than one year	1	3
Total	**76**	**544**

Movement of allowance for financial assets

Particulars	**As at 31 March 2021**	**As at 31 March 2020**
Opening allowance for financial assets	76	70
Add: Addition in allowances during the year	10	6
Less: Write off during the year	-	-
Less: Adjusted during the year	12	-
Closing allowance for impairment in financial assets	**74**	**76**

(c) 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 short term and long-term loans and borrowings. The Company manages liquidity risk by maintaining adequate reserves, banking facilities, and reserve borrowing facilities, by continuously forecast and actual cash flows, and by matching the maturity profile of financial assets and liabilities.

The following are the contractual maturities of the financial liabilities, including estimated interest payments as at 31 March 2021:

	Carrying amount	**Contractual cash flows**	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Trade payables	842	842	-	842	-	-	-	842
Borrowings								
Non Cumulative Non-convertible Redeemable Preference Shares	195,203	280,441	-	-	-	238,528	41,913	280,441
Other financial liabilities								
Sundry creditors for capital goods	7	7	-	7	-	-	-	7
	196,052	**281,290**	**-**	**849**	**-**	**238,528**	**41,913**	**281,290**

(All amounts in Rupees million, except per share amounts unless stated otherwise)

The following are the contractual maturities of the financial liabilities, including estimated interest payments as at 31 March 2020:

	Carrying amount	Contractual cash flows	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	889	889	-	889	-	-	-	889
Lease Liability	1	1	-	0	1	-	-	1
Borrowings								
Non Cumulative Non-convertible Redeemable Preference Shares	172,550	280,441	-	-	-	194,798	85,643	280,441
Loan from fellow subsidiary (unsecured)	720	720	-	-	720	-	-	720
Other financial liabilities								
Interest accrued but not due	27	27	-	27	-	-	-	27
Sundry creditors for capital goods	7	7	-	7	-	-	-	7
	174,194	**282,085**	**-**	**923**	**721**	**194,798**	**85,643**	**282,085**

32 Income taxes

Deferred tax

The Company has incurred losses during the year and earlier years. Since it is not probable that taxable profit will be available against which the temporary difference can be utilised, the Company has not recognised any deferred tax assets resulting from the carried forward tax losses and unabsorbed depreciation. Further, no deferred tax liabilities on amount recognised directly in equity and other temporary timing differences have been recognised as it would be set off against these deferred tax assets.

33 Impact of COVID-19 (Global pandemic)

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, intangibles, investments and other assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external sources of information. The Company has reviewed the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

34 Event after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. There are no significant event to be reported.

35 Social security code

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

36 Details of rounded off amounts

The financial statements are presented in million. Those items which are required to be disclosed and which are not represented in the financial statements due to rounding off to nearest million are given as follows:

Note	Description	As at 31 March 2021	As at 31 March 2020
PL	Remeasurement gains/ (lossess) on defined benefit plans	0.235	(0.286)
Cash flow	Unrealised foreign exchange gain, net	(0.134)	-
Cash flow	- Increase/(decrease) in provisions	-	(0.409)
Cash flow	Payments for property, plant and equipment	0.057	0.057
Cash flow	Payment of lease liability	(0.417)	-
3	Computers_Additions	0.219	0.136
	Plant and equipment_Additions	0.129	-
	Plant and equipment_disposals of assets	-	(0.033)
	Computers_disposals of assets	(0.345)	(0.142)
	Vehicles_disposals of assets	-	(0.377)
	Capital work-in-progress_disposals of assets	-	(0.121)

(All amounts in Rupees million, except per share amounts unless stated otherwise)

Note	Description	As at 31 March 2021	As at 31 March 2020
	Furniture and fixtures_disposals of assets	(0.016)	-
	Office equipment_disposals of assets	(0.006)	-
	Furniture and fixtures_Reclassified as held for sale	(0.181)	-
	Office equipment_Reclassified as held for sale	(0.223)	-
	Furniture and fixtures_depreciation	0.011	0.033
	Computers_depreciation	0.345	0.502
	Office equipment_depreciation	0.036	0.078
	Vehicles_depreciation	-	0.019
	Computers_Eliminated on disposals of assets	(0.303)	(0.142)
	Office equipment_Eliminated on disposals of assets	(0.002)	-
	Plant and equipment_Eliminated on disposals of assets	-	(0.033)
	Vehicles_Eliminated on disposals of assets	-	(0.321)
	Furniture and fixtures_Eliminated on disposals of assets	(0.005)	-
	Office equipment_Eliminated on disposals of assets	(0.106)	-
	Furniture and fixtures_Reclassified as held for sale	(0.061)	-
	Furniture and fixtures_Closing balance	-	0.164
	Vehicles_Closing balance	-	0.170
	Office equipment_Closing balance	0.042	0.399
3(a)	Right of use assets		
	Depreciation charge during the year	0.026	0.026
	Eliminated on disposals of assets	(0.025)	-
7	Advances for value to be received_Other current assets	(0.104)	0.298
9	Cash on hand	0.065	0.065
12	Other equity		
	Retained earnings	0.235	(0.286)
14	Provision		
	Interest accretion_Gratuity	0.286	-
16(a)	Lease liabilities		
	Interest accrued during the year	(0.020)	0.134
	Payments	(0.397)	-
19	-Other financial assets carried at amortised cost	-	(0.003)
	Net loss/ (gain) on foreign currency transaction and translation	(0.134)	-
21	Finance costs		
	Interest on lease liability	-	0.134
22	Other expenses		
	Insurance	0.035	0.084
	Telphone expenses	0.375	-
	Other services (certification fees)_Payment to auditors	-	0.490
	Reimbursement of expenses_Payment to auditors	0.027	0.027
28	Impact on defined obligation		
	Discount rate (0.5% increase)	(0.075)	(0.134)
	Discount rate (0.5% decrease)	0.078	0.142
	Future salary increase (0.5% increase)	0.079	0.141
	Future salary increase (0.5% decrease)	(0.076)	(0.134)
	Compensated absences:		
	Actuarial (gain) / loss	-	0.431
30	Related party transactions		
	Sistema Asia Fund Pte. Ltd.		
	Shared Service centre fee/ Support Service fee (Income)	0.456	-

(All amounts in Rupees million, except per share amounts unless stated otherwise)

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

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

39 Segment reporting

The Company is engaged in business providing managed services. This is the only activity performed and is thus also the main source of risks and returns. Accordingly, the Company has a single reportable segment. Further, as the Company operate in only one geographical segment namely, India hence the relevant disclosures as per Ind AS 108 are not applicable to the Company.

40 Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021. MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting April 1, 2021.

41 Details of due of Income-Tax, Sales Tax, Value added tax and Service tax which have not been deposited as on 31 March 2021on account of disputes are given below:

S.No.	Name of the Statute	Nature of Dues	Period to which the amount relates	Total Disputed Amount	Amount not deposited	Forum where the dispute is pending
1	Kerala Commercial Tax Act, 2003	VAT	2011-12 & 2015-16	37.94	37.94	Hon'ble High Court
2	Finance Act, 1994 (Service tax provisions)	Service Tax	2008-09, 2009-10, 2010-11 & 2013-14	381.76	291.88	Custom, Excise, Service Tax Appellate Tribunal
3	Finance Act, 1994 (Service tax provisions)	Service Tax	2008-09 & 2009-10	1.33	1.33	Dy. Commissioner, Division South, GST Gurugram

The following matters have been decided in favour of the Company, although the department has preferred appeals at higher levels:

S.No.	Name of the Statute	Nature of Dues	Period to which the amount pertains	Total Disputed Amount	Amount not deposited	Forum where the dispute is pending
1	Rajasthan VAT Act, 2003	VAT	2007-08 to 2009-10	2.33	1.43	Tax Board

For and on behalf of the Board of Directors

Sergey Savchenko
Chairman
DIN - 02891905

Neera Sharma
Whole Time Director & CEO
DIN - 00975300

Vinay Mittal
Chief Financial Officer
Place : Singapore
Date : 04 August 2021

Archit Sood
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To

The Members of Sistema Smart Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Sistema Smart Technologies Limited** (Formerly known as Sistema Shyam Teleservices Limited) ("the Holding Company"/ ("the Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") , which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended on that date, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditor on separate financial statements of subsidiary referred to in the Other Matters section below, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, consolidated loss, consolidated total comprehensive loss, consolidated cash flows and its consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw your attention to note 28(b) of the Consolidated Ind AS financial statements, which describes the uncertainties related to estimation of licence fees and spectrum usage charges on Adjusted Gross Revenue (AGR Liability) due to matter being subjudice and is pending at the Hon'ble Supreme Court and transfer of AGR liability to Reliance Communications Limited ("RCOM") under merger scheme.

Our opinion is not modified in respect of this matter.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including annexures to the Board's Report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

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

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company 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 Matters

We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs. 9 millions as at March 31, 2021, total revenues of Rs. 0.4 millions and net cash outflows of Rs. 2.49 millions for the year ended on that date, as per standalone financial statements of the subsidiary included in the Group. The financial statement of the subsidiary have been audited by the other auditor whose report has been furnished to us by the management, and our opinion in so far as it relates to the amounts and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of other auditor.

Our opinion on the consolidated financial statements above, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements of the subsidiary company incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (Other Comprehensive Income), the Consolidated Cash Flows Statement and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Company and the report of the statutory auditor of subsidiary company incorporated in India, none of the directors of the Group Companies are disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' report of the Holding Company and subsidiary company, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. (Refer note 28 to the consolidated financial statements)

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer note 37 to the consolidated financial statements)

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company. (Refer note 38 to the consolidated financial statements)

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vikas Khurana
(Partner)
(Membership No. 503760)
UDIN: 21503760AAAACB1263

Place: Gurugram
Date: August04, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjuction with our audit of the consolidated financial statements of the Company as of and for the year ended on that date, we have audited the internal financial controls over financial reporting of **Sistema Smart Technologies Limited** (Formerly known as Sistema Shyam Teleservices Limited) (hereinafter referred to as "Parent") and its subsidiary Company,which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent and its subsidiary Company, incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiary Company,incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its subsidiary Company, incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor referred to in the other matters paragraph below, the Parent and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the subsidiary company which is a company incorporated in India, is based solely on the corresponding report of the auditor of such company incorporated in India.

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vikas Khurana
(Partner)
(Membership No. 503760)
UDIN: 21503760AAAACB1263

Place: Gurugram
Date: August04, 2021

Consolidated Balance Sheet as at 31 March 2021

(All amounts in Rupees million, except per share amounts unless stated otherwise)

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	**3**	3	4
Capital work-in-progress	**3**	-	-
Right of use assets	**3(a)**	1	3
Financial assets			
Other non current financial assets	**5**	-	451
Non-current tax assets (net)		79	186
Other non current assets	**6**	134	144
		217	**788**
Current assets			
Financial assets			
Trade receivables	**7**	26	27
Cash and cash equivalents	**8**	11	12
Other bank balances	**9**	1,917	2,221
Loans	**4**	5	7
Other current financial assets	**5**	45	59
Current tax assets (net)		7	-
Other current assets	**6**	40	69
		2,051	**2,395**
Assets classified as held for sale	**3 (b)**	31	32
		2,082	**2,427**
Total Assets		**2,299**	**3,215**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**10**	23,940	23,940
Other equity	**11**	(218,581)	(195,818)
		(194,641)	**(171,878)**
Non-current liabilities			
Financial liabilities			
Borrowings	**12**	195,203	172,550
Provisions	**13**	10	15
		195,213	172,565
Current liabilities			
Financial liabilities			
Borrowings	**12**	-	720
Trade payables	**14**		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of trade payables other than micro enterprises and small enterprises		842	889
Lease liability	**15 (a)**	-	1
Other current financial liabilities	**15**	7	34
Provisions	**13**	873	874
Other current liabilities	**16**	5	10
		1,727	**2,528**
Total Equity and Liabilities		**2,299**	**3,215**
See accompanying notes to the financial statements	**1-40**		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Vikas Khurana
Partner

Place : Gurugram
Date : 04 August 2021

For and on behalf of the Board of Directors

Sergey Savchenko
Chairman
DIN - 02891905

Neera Sharma
Whole Time Director & CEO
DIN - 00975300

Vinay Mittal
Chief Financial Officer
Place : Singapore
Date : 04 August 2021

Archit Sood
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31 March 2021

(All amounts in Rupees million, except per share amounts unless stated otherwise)

Particulars	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	**17**	58	141
Other income	**18**	173	208
Total income (I)		**231**	**349**
Expenses			
Purchase of stock in trade		2	44
Employee benefit expense	**19**	119	157
Depreciation	**3**	1	5
Finance cost	**20**	22,745	20,187
Other expenses	**21**	127	169
Total expenses (II)		**22,994**	**20,562**
Loss before exceptional item and tax (III= I-II)		**(22,763)**	**(20,213)**
Exceptional item (net) (IV)	**28 (b)**	-	590
Loss before tax (V=III-IV)		**(22,763)**	**(20,803)**
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Loss for the year		**(22,763)**	**(20,803)**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurement gains/ (lossess) on defined benefit plans (refer note 36)	**11**	0	(0)
Income tax relating to these items		-	-
Total other comprehensive income/ (loss)		**0**	**(0)**
Total Comprehensive Income/ (loss) for the year, net of tax		**(22,763)**	**(20,803)**
Earnings/(loss) per equity share (for continuing operations);	**22**		
(1) Basic		(9.51)	(8.69)
(2) Diluted		(9.51)	(8.69)
See accompanying notes forming part of the financial statements	**1-40**		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Vikas Khurana
Partner

Place : Gurugram
Date : 04 August 2021

For and on behalf of the Board of Directors

Sergey Savchenko
Chairman
DIN - 02891905

Neera Sharma
Whole Time Director & CEO
DIN - 00975300

Vinay Mittal
Chief Financial Officer
Place : Singapore
Date : 04 August 2021

Archit Sood
Company Secretary

Consolidated Statement of Cash Flows for the year ended 31 March 2021

(All amounts in Rupees million, except per share amounts unless stated otherwise)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash flows from operating activities:		
Net loss before tax and exceptional item	(22,763)	(20,213)
Adjustments for:		
Depreciation expense	1	5
Interest income	(127)	(185)
Finance costs	22,695	20,140
Liabilities written back	(35)	(20)
Unrealised foreign exchange loss/ (gain), net (refer note 36)	0	(1)
Gain on sale of property, plant and equipment, assets held for sale and right of use assets	(10)	(1)
Operating cash flow before changes in assets and liabilities	**(239)**	**(275)**
Movement in working capital :		
- (Increase)/decrease in trade receivables	2	20
- (Increase)/decrease in other receivables (current- non current)	43	(27)
- Increase/(decrease) in trade payables and financial liabilities	(12)	(98)
- Increase/(decrease) in other liabilities (current- non current)	(4)	(3)
- Increase/(decrease) in provisions (refer note 36)	(6)	(0)
Cash generated from operations	**(216)**	**(383)**
Income taxes (paid)/ refund	101	15
Net cash flow from / (used in) operating activities	**(115)**	**(368)**
B. Cash flows from investing activities:		
Payments for property, plant and equipment (refer note 36)	(0)	(1)
Proceeds from sale of property plant and equipment	2	1
Proceeds from sale of assets held for sale	2	-
Proceeds from sale of right of use assets	7	-
Proceeds from maturity of bank balances not considered as cash and cash equivalents	(14)	2
Interest received	139	217
(Increase)/decrease in margin money deposit	768	47
Net cash flow from / (used in) investing activities	**904**	**266**
C. Cash flows from financing activities:		
Payment of lease liability (refer note 36)	(0)	(1)
Proceeds from current borrowings	30	160
Repayments of current borrowings	(750)	(90)
Interest and other finance charges paid	(70)	(57)
Net cash flow from / (used in) financing activities	(790)	12
Net increase / (decrease) in cash and cash equivalents during the year	(1)	(90)
Add : Cash and cash equivalents as at the beginning of the year	12	102
Cash and cash equivalents as at the end of the year (refer note 8)	**11**	**12**

See accompanying notes forming part of the financial statements **1-40**

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Vikas Khurana
Partner

Place : Gurugram
Date : 04 August 2021

For and on behalf of the Board of Directors

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Vinay Mittal
Chief Financial Officer
Place : Singapore
Date : 04 August 2021

Archit Sood
Company Secretary

Consolidated Statement of Changes in Equity for the year ended 31 March 2021

(All amounts in Rupees million, except per share amounts unless stated otherwise)

			Equity share capital			
	Equity share capital	**Equity component of Redeemable Preference Shares**	**Capital reserve**	**Investment revaluation reserve**	**Retained earnings**	**Total equity**
As at 31 March 2019	23,940	60,378	6,804	(34)	(242,163)	(151,075)
Profit/ (loss) for the year	-	-	-	-	(20,803)	(20,803)
Other comprehensive income/ (loss) (refer note 36)	-	-	-	-	(0)	**(0)**
Total comprehensive income/ (loss) for the year	-	-	-	-	(20,803)	(20,803)
As at 31 March 2020	**23,940**	**60,378**	**6,804**	**(34)**	**(262,966)**	**(171,878)**
As at 1 April 2020	**23,940**	**60,378**	**6,804**	**(34)**	**(262,966)**	**(171,878)**
Profit/ (loss) for the year	-	-	-	-	(22,763)	(22,763)
Other comprehensive income/ (loss) (refer note 36)	-	-	-	-	0	0
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**-**	**(22,763)**	**(22,763)**
As at 31 March 2021	**23,940**	**60,378**	**6,804**	**(34)**	**(285,729)**	**(194,641)**

See accompanying notes forming part of the financial statements **1-40**

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Vikas Khurana
Partner

Place : Gurugram
Date : 04 August 2021

For and on behalf of the Board of Directors

Sergey Savchenko
Chairman
DIN - 02891905

Neera Sharma
Whole Time Director & CEO
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Vinay Mittal
Chief Financial Officer
Place : Singapore
Date : 04 August 2021

Archit Sood
Company Secretary

Notes to Consolidated financial statements for the year ended 31 March 2021
(All amounts in Rupees million, except per share amounts unless stated otherwise)

1) Background

(a) *Corporate Information*

Sistema Smart Technologies Limited ('the Group' or 'SSTL'), was incorporated on 20 April 1995.

The shareholding of Sistema PJSFC ('SISTEMA') and Russian Federation are 75.62% and 22.86% respectively. SISTEMA continues to be the holding company of SSTL.

Currently the Group is engaged in the business of providing managed services and sale of equipment.

The Subsidiary Sistema Internet Services Limited formerly known as Shyam Internet Services Limited ('SISL') was in the business of internet services. SISL has been granted category 'B' License on 18 December 2003 by Department of Telecommunication for a period of 16 years for providing internet services in the state of Rajasthan. During the previous financial year SISL has surrendered its license and close the operation w.e.f. 31 December 2017.

SSTL and its subsidiary ('SISL') hereinafter refer to as 'the Group'.

The financial statements were authorized for issue in accordance with the resolution of the directors dated 4 August 2021.

(b) During the year ended 31 March 2021, the Group has incurred a loss of Rs 22,763(2020- 20,803) and cash loss of Rs. 109(2020-146). Accumulated loss of the Group as on 31 March 2021, Rs. 285,729 (2020- 262,966) and the Group has a negative net worth of Rs 194,641(2020- 171,878) after adjusting accumulated losses.

The Group is evaluating number of business options and started providing strategic and operational management services on long term contract basis.

Further, as indicated in note 12(a), the redemption of the RPS shall start from the year 2022-23. In this regard, the Group shall utilise the available funds at the time of redemption. Further as per the terms of the agreement the parties may mutually decide to extend the redemption period (upto 20 years). Further, both the companies are evaluating option of either conversion to equity/ merger of both the companies/ redemption (fully or partially) based on availability of the funds with the Group. In any event INSITEL Services Private Limited will not initiate liquidation of SSTL for recovery of amount due on redemption of RPS.

In view of above, these financial statements have been prepared using the going concern assumption.

2) Significant accounting policies

2.1) Statement of compliance

The financial statements of the Group have been prepared in accordance with accounting standards ('Ind ASs') notified under the Companies (Indian accounting standards) rules, 2015 as amended.

2.2) Basis of preparation

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

The financial statements are prepared on historical cost basis, except for certain financial assets and liabilities that are measured at fair value as required under relevant Ind AS.

The financial statements are presented in millions of Indian Rupees, which is the Group's functional and presentation currency, and all amounts are rounded to the nearest million, except per share, per debenture amounts unless stated otherwise.

2.3) Summary of significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year.

(a) Current versus non-current classification

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

An asset is classified as current when it is:

(i) Expected to be realised or intended to be sold or consumed in normal operating cycle.

(ii) Held primarily for the purpose of trading.

(iii) Expected to be realised within twelve months after the reporting period, or

(iv) 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 amounts in Rupees million, except per share amounts unless stated otherwise)

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle.

(ii) It is held primarily for the purpose of trading.

(iii) It is due to be settled within twelve months after the reporting period, or

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

The Group classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

(b) Foreign currencies

The Group's financial statements are presented in INR, which is also the Group's functional currency. All the items included in the financial statements are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(c) Fair value measurement

The Group measures financial instruments 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

(iii) 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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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 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 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements 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.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

(d) Revenue recognition

Service revenues

Ind AS 115, 'Revenue from Contracts with Customers' is applicable with effect from 1 April 2018. Based on the evaluation of existing contracts, the effect on transition to Ind AS 115 is insignificant.

Revenue from shared services is recognized on the basis of contracts with customer and when there is certainty of collection from customer.

Revenue from the sale of products or services is recognized upon transfer of control to customers. Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example, taxes and duties collected on behalf of the government). A receivable is recognized upon satisfaction of performance obligations as per the Contracts.

Sale of goods:

Revenue from products are recognised when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group collects Goods and service tax on behalf of the government and therefore, it is not an economic benefit owing to the Group, hence it is excluded from revenue.

Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate. Interest income is included under the head 'other income' in the Statement of Profit and Loss.

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

(e) Taxes

(i) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income.

(ii) Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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 re-assessed 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 profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income ('OCI') or directly in equity.

(f) Property, plant and equipment ('PPE')

Property, plant and equipment, Capital work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

Refer to note 23 regarding provision and significant accounting judgements, estimates &assumptions for further information about the recorded asset retirement obligation.

In respect of accounting periods commencing on or after 7 December 2006 exchange differences arising on reporting of the long term foreign currency monetary items at rates different from those at which they were initially recorded during the period or reported in the previous financial statements are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset, if these monetary items pertain to the acquisition of a depreciable fixed asset.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Years
Freehold land is not depreciated	
Buildings	20
Plant and equipment	3 to 6
Computers	3
Furniture and fixtures	6
Office equipment	5
Vehicles	5

Depreciation on PPE has been provided as per the useful life prescribed in Schedule II to the Companies Act 2013 other than in respect of building, plant and equipment, furniture and fixtures and vehicles, in whose case the life of the assets has been assessed based on technical advice, taking into account the nature, the estimated usage, operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance practices etc.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

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

PPE individually costing less than rupees five thousand are fully depreciated in the year of acquisition.

(g) Assets Held for Sale

Assets are classified as 'held for sale' when all the following criteria are met:

(i) decision has been made to sell,

(ii) the assets are available for immediate sale in its present condition,

(iii) the assets are being actively marketed and

(iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such assets classified as 'held for sale' are measured at the lower of it carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated.

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale, including interest attributable to the funding of license fees with respect to new circles up to the date of commencement of commercial operations, are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(i) Leases

The Group has applied Ind AS 116 with effect from 1 April 2019 using the modified retrospective.

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.

The Group recognizes right-of-use asset (ROU) representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use asset is 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 (ROU) 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.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

Group as a lessee

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

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

The Group may elect not to apply the requirements of Ind AS 116 to leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

Lease rentals under operating lease are recognised as income on a straight-line basis over the lease term. In case the payments to the lessor are structured to increase in line with the general expected inflation to compensate for the lessor's expected inflationary cost increases, then straight lining of operating lease rentals is not required.

(j) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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. Impairment losses of continuing operations are recognised in the Statement of Profit and Loss.

(k) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

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.

Contingencies

Provision in respect of litigation relating to claims assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably. Such provisions are not discounted to their present value and are determined based on management's estimation of the obligation required to settle the obligation at Balance Sheet date. These are reviewed at Balance Sheet date and adjusted to reflect management's current estimates.

(l) Retirement and other employee benefits

Short-term employee benefits

Short term employee benefits are recognised in the year at undiscounted amount of benefits expected to be paid in exchange of related services.

Long-term employee benefits

Defined contribution plan

Provident fund and employees' state insurance schemes

All employees of the Group are entitled to receive benefits under the provident fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

The Group recognises contribution payable to both these schemes as an expense, when an employee renders the related service. The Group has no further obligations under these plans beyond its monthly contributions.

Defined benefit plan

Gratuity

The Group provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Group. The Group provides for the gratuity plan based on actuarial valuations in accordance with Ind AS 19 'Employee Benefits'. The cost of providing benefits under the defined benefit plan is determined using the Projected Unit Credit Method.

Re-measurements, comprising of actuarial gains and losses, the effect of changes in the asset ceiling (excluding amounts included in net interest on the net defined benefit liability)is recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Re-measurements are recognised in OCI and are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

(i) The date of the plan amendment or curtailment, and

(ii) The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

(i) Service costs comprising current service costs. past-service costs, gains and losses on curtailments and non-routine settlements; and

(ii) Net interest expense or income

Other long term employee benefit

Compensated absences

The Group has provided for the liability at year end on account of unavailed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

(m) 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

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Investment in equity instruments at fair value through other comprehensive income ('FVTOCI')

On initial recognition, the Group can make an irrevocable election to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instruments.

A financial assets is held for trading if

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of the portfolio of identified financial instruments that the Group has to swap with Companies shares.

Financial assets at fair value through profit or loss (FVTPL)

Investment in equity instrument are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent change in fair value in other comprehensive income for investments in equity instruments.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

(All amounts in Rupees million, except per share amounts unless stated otherwise)

(i) Debt instruments at amortised cost

(ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

(iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

(iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows. and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in other income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

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:

(i) The contractual rights to receive cash flows from the asset have expired, or

(ii) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and 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.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss ('ECL') model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(i) Financial assets that are debt instruments are measured at amortised cost e.g., deposits, trade receivables.

(ii) Lease receivables

(iii) Trade receivables or any contractual right to receive cash or another financial asset.

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

(i) Trade receivables or contract revenue receivables; and

(ii) All lease receivables resulting from transactions

The application of simplified approach does not require the Group to track changes in credit risk.

Receivables are stated net of provision for doubtful debts.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition

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 Profit and Loss.

This category generally applies to borrowings. For more information refer Note 12.

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.

Preference shares

The Group had issued Non-Cumulative Non-Convertible Redeemable Preference Shares (RPS) in multiple tranches. Each Non-Cumulative Non-Convertible Redeemable Preference Share carry non-cumulative preferential dividend @ 0.01% p.a. RPS are redeemable upon the completion of ten years from the respective date of issue at the issue price (face value including issue premium) along with redemption premium per annum. Further, any variation (extension or reduction) in the tenure is subject to the mutual agreement of both parties and extension shall not exceed twenty years from the respective date of issue.

RPS that are treated as financial liability in accordance with the requirements of Ind AS 32, are initially recognised at fair value and subsequently measured at amortised cost using effective interest rate method (EIR), considering premium on redemption.

Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above as they are considered an integral part of the Group's cash management.

(n) Earnings per share

The earnings considered in ascertaining the Group's Earnings per Share ('EPS') comprise the net profit / (loss) for the year. The number of shares used in computing basic EPS is the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares, if any which would have been used in the conversion of all dilutive potential equity shares.

(o) Segment reporting

The Group's primary operating business is organised and managed according to the nature of services which is managed services. The analysis of geographical segment is based on the area in which the Group operates.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

3) Property, plant and equipment

	Freehold land	Building	Plant and equipment	Computers	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work in progress
Cost									
At 31 March 2019	2	44	8	2	0	3	3	62	0
Additions (refer note 36)	-	-	1	0	-	-	-	1	-
Disposals (refer note 36)	-	-	(0)	(0)	-	(1)	(0)	(1)	(0)
Reclassified as held for sale (refer note 3(b) & 36)	(2)	(44)	-	-	-	-	-	(46)	-
At 31 March 2020	**-**	**-**	**9**	**2**	**0**	**2**	**3**	**16**	**-**
Additions (refer note 36)	-	-	0	0	-	-	-	0	-
Disposals (refer note 36)	-	-	-	(0)	(0)	(0)	(1)	(0)	-
Reclassified as held for sale (refer note 3(b)	-	-	-	-	(0)	(0)	-	(0)	-
At 31 March 2021	**-**	**-**	**9**	**2**	**-**	**2**	**2**	**15**	**-**
Accumulated Depreciation									
At 31 March 2019	-	11	5	1	-	3	3	23	-
Depreciation charge for the year (refer note 36)	-	3	1	0	0	0	0	4	-
Eliminated on disposals of assets (refer note 36)	-	-	(0)	(0)	-	(1)	(0)	(1)	-
Eliminated on reclassification as held for sale (refer note 36)	-	(14)	-	-	-	-	-	(14)	-
At 31 March 2020	**-**	**-**	**6**	**1**	**0**	**2**	**3**	**12**	**-**
Depreciation charge for the year (refer note 36)	-	-	1	0	0	0	-	1	-
Eliminated on disposals of assets (refer note 36)	-	-	-	(0)	(0)	(0)	(1)	(1)	-
Eliminated on reclassification as held for sale (refer note 36)	-	-	-	-	(0)	(0)	-	(0)	-
At 31 March 2021	**-**	**-**	**7**	**1**	-	2	**2**	12	**-**
Net Carrying Amount									
At 31 March 2020 (refer note 36)	-	-	3	1	0	0	0	4	-
At 31 March 2021 (refer note 36)	-	-	2	1	-	0	-	3	-

a) Right of use assets

	Leasehold land	Building	Total
Cost or deemed cost			
Balance as at 1 April 2020	2	2	4
Additions	-	-	-
Eliminated on disposals of assets (refer note 36)	(1)	(2)	(3)
At 31 March 2021	**1**	**-**	**1**
Accumulated Amortisation			
Balance as at 1 April 2020	0	1	1
Depreciation charge during the year (refer note 36)	0	1	1
Eliminated on disposals of assets (refer note 36)	(0)	(2)	(2)
At 31 March 2021	**0**	**-**	**0**
Net Carrying Amount			
At 31 March 2020	2	1	3
At 31 March 2021	1	-	1

b) Assets classified as held for sale

During the last financial year, The Group has decided and approved to dispose of certain immovable property, plant and equipment, accordingly, the property, plant and equipment have been classified as a held for sale.

The proceeds of disposal are expected to exceed the net carrying amount of the relevant property, plant and equipment; accordingly, no impairment loss has been recognized on the classification of these property, plant and equipment as assets held for sale.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

4. Loans

	As at 31 March 2021	As at 31 March 2020
Total current	5	7
Total non-current	-	-
	5	**7**

5. Other financial assets

	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Bank deposits (with more than 12 months maturity)	-	451
Unbilled revenue	-	2
Interest accrued on fixed deposits	-	57
Total	**45**	**510**
Total current	45	59
Total non-current	-	451
	45	**510**

6. Other assets

	As at 31 March 2021	As at 31 March 2020
Non- current		
Unsecured, considered good		
Prepaid expenses	1	17
Balances with government authorities (other than income tax)	103	96
Advance paid under protest		
Service tax	24	24
Value added tax	6	7
Total	**134**	**144**
Current		
Unsecured, considered good		
Advances for value to be received (refer note 36)	0	0
Prepaid expenses	27	39
Balances with government authorities (other than income tax)	13	30
Total	**40**	**69**

Balances with government authorities (other than income tax)-GST authority

Particulars	**Non-Current**		**Current**	
	31-03-2021	**31-03-2020**	**31-03-2021**	**31-03-2020**
Balance available -GST authority (gross)	122	96	13	30
Less: Provision	19	-	-	-
Balance available-GST authority (net)	**103**	**96**	**13**	**30**

7. Trade receivables

	As at 31 March 2021	As at 31 March 2020
Trade receivables	34	33
Less: Allowance for credit losses	(10)	(7)
	24	**26**
Receivables from related parties (refer note 29)	2	6
Less: Allowance for credit losses	-	(5)
Total trade receivables	**26**	**27**

(All amounts in Rupees million, except per share amounts unless stated otherwise)

	As at 31 March 2021	As at 31 March 2020
Secured, considered good	-	-
Unsecured, considered good	26	27
Doubtful	10	12
	36	39
Less: Allowance for credit losses	(10)	(12)
Total trade receivables	**26**	**27**

8. Cash and cash equivalents

For the purpose of the Statement of Cash Flow, cash and cash equivalents includes cash on hand and in banks. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flow can be reconciled to the related item in the Balance Sheet as follow:

	As at 31 March 2021	As at 31 March 2020
Balance with banks:		
On current accounts	5	4
Deposits with original maturity of less than three months	6	8
Cash on hand (refer note 36)	0	0
Total cash and cash equivalents	**11**	**12**

9. Other bank balances

	As at 31 March 2021	As at 31 March 2020
Deposits with maturity of more than three months but less than twelve months	13	-
Margin money deposits	1,904	2,221
Total other bank balances	**1,917**	**2,221**

Margin money deposit primarily related to earmarked balances with the bank against the bank guarantee issued in favor of relevant statutory authorities.

10. Share Capital

a) Authorised share capital

	Equity shares		Preference shares	
	No. in millions	**Amount**	**No. in millions**	**Amount**
At 31 March 2019	19,000	190,000	6,000	60,000
Increase/(Decrease) during the year	-	-	-	-
At 31 March 2020	19,000	190,000	6,000	60,000
Increase/(Decrease) during the year	-	-	-	-
At 31 March 2021	19,000	190,000	6,000	60,000

Terms/rights attached to equity shares

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

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.

The preference share is having a par value of Rs 10 per share.

b) Issued equity share capital

Issued equity capital

	No. in millions	Amount
Equity shares of Rs 10 each issued, subscribed and fully paid		
At 31 March 2019	2,394	23,940
At 31 March 2020	2,394	23,940

(All amounts in Rupees million, except per share amounts unless stated otherwise)

At 31 March 2021	2,394	23,940

c) **Shares held by the holding company and their subsidiaries**

Out of equity shares issued by the Group, shares held by its holding company and their subsidiaries are as below:

	As at 31 March 2021	As at 31 March 2020
SISTEMA PJSFC, holding company		
1,810,289,400 [31 March 2020: 1,810,289,400] equity shares of Rs 10 each	18,103	18,103

d) **Details of shareholders holding more than 5% equity shares in the Company**

	As at 31 March 2021		As at 31 March 2020	
Name of the Shareholders	**No. in millions**	**% holding in the class**	**No. in millions**	**% holding in the class**
Equity shares of Rs 10 each, fully paid				
Sistema PJSFC, the holding company	1810	76%	1810	76%
Russian Federation	547	23%	547	23%

11. **Other equity**

Particulars	As at 31 March 2019	Profit/ (loss) for the year	OCI (refer note-36	As at 31 March 2020	Profit/ (loss) for the year	OCI (refer note-36	As at 31 March 2021
Equity component of Redeemable Preference Shares	60,378	-	-	60,378	-	-	60,378
Capital reserve	6,804	-	-	6,804	-	-	6,804
Retained earnings	(242,163)	(20,803)	(0)	(262,966)	(22,763)	0	(285,729)
Investment revaluation reserve	(34)	-	-	(34)	-	-	(34)
Total	**(175,015)**	**(20,803)**	**(0)**	**(195,818)**	**(22,763)**	**0**	**(218,581)**

Nature of reserves

a) **Equity component of Non-Cumulative Non-convertible Redeemable Preference Shares ('RPS')**:- As per Ind AS 109, the RPS have been recorded at fair value. The differential amount (i.e. difference between the transaction price and the fair value) has been considered as other equity. The Group has not issued any RPS during the current financial year and previous financial year. Total preference shares issued till 31 March 2021(14,169,400 of Rs. 10 each (total issued value Rs 142)) are classified as financial liability as well as other equity (refer note 12(a)).

b) **Retained earnings**: -Retained earnings are the profits/losses that the Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

c) **Capitalreserve: -**The gain on cancellation of own equity share has been routed through other equity (other component of equity) and shown under capital reserve.

d) **Investment revaluation reserve: -** Investment revaluation reserve is the profit/(loss) on investment in equity instrument

(All amounts in Rupees million, except per share amounts unless stated otherwise)

measured at FVTOCI.

12 Borrowings

	Effective rate of interest	Maturity date	Foot note	As at 31 March 2021	As at 31 March 2020
Non-current borrowings					
Unsecured					
From other parties					
Non Cumulative Non-convertible Redeemable Preference Shares of Rs 10 each fully paid-up from related party (fellow subsidiary)	11.84% to 14.86%	2022-2027	12 (a)	195,203	172,550
Total non-current borrowings				195,203	172,550
Less: Amount clubbed under "Other current financial liabilities"				-	-
Net non-current borrowings				195,203	172,550
Current borrowings					
Secured					
From other parties					
Term loan - from related party (fellow subsidiary)	10.00%	2020	12 (b)	-	720
Total current borrowings				-	720
Aggregated secured loans				-	720
Aggregated unsecured loans				195,203	172,550

a) Non-Cumulative Non-Convertible Redeemable Preference Shares of Rs 10 each fully paid-up ('RPS')

The RPS are redeemable upon the completion of ten years from the respective date of issue at the issue price (face value including issue premium) along with redemption premium per annum as mentioned below:

Face value of tranches		Year of receipt	Redemption premium (p.a.)
Prefernce share capital	**Prefernce share premium**		
44	43,856	2012-13	9.77%
16	16,084	2012-13	9.63%
15	14,773	2013-14	9.63%
4	4,070	2013-14	9.80%
15	15,457	2013-14	9.87%
4	4,305	2014-15	9.87%
22	21,898	2015-16	9.95%
12	12,233	2016-17	9.89%
3	2,568	2016-17	9.87%
2	2,027	2016-17	9.76%
2	1,911	2017-18	9.76%
2	2,371	2017-18	9.65%
142	**141,554**		

(All amounts in Rupees million, except per share amounts unless stated otherwise)

As per Ind AS 109, the RPS have been recorded at fair value. The differential amount (i.e. difference between the transaction price and the fair value) has been considered as other equity.

The Group has issued RPS of Rs.141,694 (including security premium) till 31 March 2021. The Group need to repay RPS including redemption premium in the following years: -

Year	Amount (Rs. Mn)
2022-23	118,395
2023-24	67,840
2024-25	8,563
2025-26	43,730
2026-27	33,469
2027-28	8,444
Total	**280,441**

b) Loan from fellow subsidiary

On 25 October 2018, the fellow subsidiary had sanctioned a short-term loan facility ("Facility") of Rs. 1,300 to the Group. During the current financial year the tenure of the facility was further extended upto 24.10.2021.

During the current Financial year, the Group has repaid all the amounts (including interest thereof)outstanding under the Facility and the current outstanding under the facility is Rs. Nil (2020 Rs. 720).

The Facility is secured by way of first charge on all present and future movable assets of the Group including book debts, cash and bank balances (except for the fixed deposits provided as security under other facilities), inventory, security deposit & actionable claims.

13 Provision

	Provision for employee benefits- Compensated absences (refer note 27)	Provision for employee benefits- Gratuity (refer note 27)	Provision for contingencies note 28)	Total
At 31 March 2019	9	2	288	299
Additional provision during the year	6	2	590	598
Interest accretion	1	-	-	1
Provision utilised/adjusted during the year	(2)	-	(7)	(9)
At 31 March 2020	14	4	871	889
Additional provision during the year	2	1	-	4
Interest accretion	1	0	-	1
Provision utilised/adjusted during the year	(9)	(1)	-	(11)
At 31 March 2021	**8**	**4**	**871**	**883**
Current Year				
Total current	1	1	871	873
Total non-current	7	3	-	10
Previous Year				
Total current	2	1	871	874
Total non-current	12	3	-	15

14 Trade payables

	As at 31 March 2021	As at 31 March 2020
Trade payables	842	889
Total	**842**	**889**

(All amounts in Rupees million, except per share amounts unless stated otherwise)

15 Other current financial liabilities

	As at 31 March 2021	As at 31 March 2020
Other current financial liabilities at amortised cost		
Interest accrued but not due	-	27
Sundry creditors for capital goods	7	7
Total	**7**	**34**

15(a) Lease Liability

	As at 31 March 2021	As at 31 March 2020
Balance as at	1	2
Additions during the year	-	-
Deletions during the year	(1)	-
Interest accrued during the year (refer note 36)	(0)	0
Payments (refer note 36)	(0)	(1)
Total	**-**	**1**

As per Ind-AS 116 operating lease rent has been charged to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability.

16 Other current liabilities

	As at 31 March 2021	As at 31 March 2020
Statutory dues	2	8
Other liability	3	2
Total	**5**	**10**

17 Revenue from operations (net)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of Goods	4	59
Service revenue	54	82
Total	**58**	**141**

18 Other income

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest income earned on financial assets that are not designated as at fair value through profit or loss		
-Interest income	127	185
-Other financial assets carried at amortised cost (refer note 36)	-	(0)
Other non-operating income		
-Profit on property, plant and equipment, assets held for sale and right of use assets	10	1
-Other non-operating income	1	1
-Net gain on foreign currency transaction and translation (refer note 36)	0	1
-Liability write back	35	20
Total	**173**	**208**

(All amounts in Rupees million, except per share amounts unless stated otherwise)

19 Employee benefits expense

	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries, wages and bonus	112	144
Contribution to provident and other funds	5	8
Staff welfare expenses	2	5
Total	**119**	**157**

Defined contribution Plans

Particulars	31 March 2021	31 March 2020
Employer's contribution to provident fund	4	6

20 Financial costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on borrowings	22,696	20,139
Other interest expense	-	1
Total interest expense	22,696	20,140
Bank charges and commission	49	47
Interest on lease liability (refer note 36)	-	0
Total	**22,745**	**20,187**

21 Other expenses

	For the year ended 31 March 2021	For the year ended 31 March 2020
Power and fuel	-	5
Rent**	13	16
Insurance (refer note 36)	0	0
Telphone expenses	1	1
Network managed services	11	19
Sales expenses	1	10
Travelling and conveyance expenses	1	14
IT support and services expenses	1	3
Customer service and call centre expenses	-	2
Legal and professional fees	49	70
Rates and taxes	31	11
Auditors' remuneration*	4	2
Allowances for credit losses/ advances	10	7
Miscellaneous expenses	5	9
	127	**169**

*** Payment to Auditors**

	For the year ended 31 March 2021	For the year ended 31 March 2020
As Auditor:		
Audit fee	2	2
In other capacity:		
Other services (certification fees) (refer note 36)	2	0
Reimbursement of expenses (refer note 36)	0	0
	4	**2**

** As per Ind-AS 116 operating lease rent has been charged to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability. Rent expense recorded for short term lease for the year ended 31 March 2021.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

22 Earnings/(loss) Per Share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) for the year attributable to the equity shareholders of the Group by weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the loss and share data used in the basic and diluted EPS computations:

	For the year ended 31 March 2021	For the year ended 31 March 2020
Loss attributable to equity shareholders of the Company	(22,763)	(20,803)
Loss attributable to equity shareholders of the Company (A)	**(22,763)**	**(20,803)**
Weighted average number of equity shares in calculating basic EPS (No. in millions) (B)	2,394	2,394
Weighted average number of equity shares in calculating diluted EPS (No. in millions) (C)	2,394	2,394
Loss per equity share in Rs		
Earning per share		
Basic earnings per share (A/B)	(9.51)	(8.69)
Diluted earnings per share (A/C)	(9.51)	(8.69)

23 Significant accounting judgements, estimates and assumptions

The preparation of the Group’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, 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 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 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.

Property, plant and equipment

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately at-least as at each reporting date so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. Refer note 2(f) and note 3 for the estimated useful life and carrying value of property, plant and equipment respectively.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed for impairment at each Balance Sheet date if there is any indication of impairment based on internal and external factors. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of the assets value in use and its fair value less costs to sell. 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 or CGU. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs for disposing of the asset.

An impairment loss is recognised wherever the carrying amount of an asset or CGU exceeds its estimated recoverable amount and are recognised in Statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

Impairment losses recognised in previous period are assessed at each Balance Sheet date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Going Concern

Based on the revised business model after demerger of telecom business, the Group is confident that it would be able to arrange funds for long term and operations.

In view of above, these financial statements have been prepared using the going concern assumption. Refer Note 1(b) for detailed disclosure on going concern assumption of the Group.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity) and compensated absences

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation and leave encashment 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 Balance Sheet date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity and compensated absences obligations are given in Note 27.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk, volatility and discount rates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 12 and 24 for further disclosures.

As per Ind AS 109, the RPS have been recorded at fair value. The differential amount (i.e. difference between the transaction price and the fair value) has been considered as other equity. For determination of fair value, the discount rate has been calculated based on risk free rate along with adjustment for credit spread and illiquidity premium.

Provision for contingencies

The Group provide for the contingencies when it has a present obligation as a result of past event, it is more likely than not that an outflow of resources will be required to settle the obligation as described in Note 13 in respect of which a reliable estimate can be made. Provision for contingencies are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates(also refer note 28).

(All amounts in Rupees million, except per share amounts unless stated otherwise)

24 Fair values

The carrying value of the Group's financial instruments by categories by as follows:

	Measured at amortised Cost*	
	As at 31 March 2021	**As at 31 March 2020**
Financial assets		
At Amortised cost		
Security Deposits	5	7
Trade receivables	26	27
Cash and cash equivalents	11	12
Other bank balances	1,917	2,221
Other financial assets	45	59
Total	**2,004**	**2,326**
Financial liabilities		
Non- current borrowings	195,203	172,550
Current borrowings	-	720
Trade payables	842	889
Interest accrued but not due	-	27
Sundry creditors for capital goods	7	7
Total	**196,052**	**174,193**

*The carrying value of above financial assets and financial liabilities approximate its fair value.

Fair values

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group determines fair values of financial assets and financial liabilities by discounting contractual cash inflows / outflows using prevailing interest rates of financial instruments with similar terms. The initial measurement of financial assets and financial liabilities is at fair value. Further, the subsequent measurement of all financial assets and financial liabilities is at amortised cost, using the effective interest method.

Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowings of the Group and in case of financial assets is the average market rate of similar credit rated instrument.

Fair value of financial assets and financial liabilities is the amount that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed 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 whole:

Level 1: quoted (unadjusted) prices in active market for identical assets and liabilities.

Level 2: valuation techniques for which the lowest level of input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: valuation techniques for which the lowest level of input that has a significant effect on the fair value measurement is not based on observable market data.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

	Level 1	Level 2	Level 3
At 31 March 2021			
Financial assets	-	-	1,973
Financial liability	-	-	196,052
At 31 March 2020			
Financial assets	-	-	2,292
Financial liability	-	-	174,193

There have been no transfers between Level 1 and Level 2 during the year.

25 Capital management

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

The Group manages its capital structure and makes adjustments to it, in light of changes to economic conditions. To maintain or adjust the capital structure, the Group may return capital, issue new shares for cash, repay debt, put in place new debt facilities as appropriate.

No changes were made in the objectives, policies or processes during the year ended 31 March 2021.

The Group has Rs Nil borrowings as at 31 March 2021(2020: Rs 720). Undrawn borrowing available as at 31 March 2021is Rs 1,300(2020: Rs 580).

26 Derivative instruments

The Group has not taken any derivative instruments during the current year / previous year.

27 Employee Benefits:

Defined Benefit Plans

Gratuity:

The employee's gratuity fund scheme managed by the Groupis a defined benefit plan. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method (PUC). The plan liability is the actuarial present value of the projected accrued benefits as of the beginning and end of the period for active members.

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2021:

	Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income						
	01-Apr-20	Service cost	Net interest expense	Sub-total included in profit or loss (Note 20)	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-Mar-21
Defined benefit obligation	(4)	(1)	(0)	(1)	1	-	0	0	(0)	0	-	(4)
Benefit liability	**(4)**			**(1)**						**0**	**-**	**(4)**

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2020:

	Gratuity cost charged to profit or loss					**Remeasurement gains/(losses) in other comprehensive income**						
	01-Apr-19	**Service cost**	**Net interest expense**	**Sub-total included in profit or loss (Note 20)**	**Benefits paid**	**Return on plan assets (excluding amounts included in net interest expense)**	**Actuarial changes arising from changes in demographic assumptions**	**Actuarial changes arising from changes in financial assumptions**	**Experience adjustments**	**Sub-total included in OCI**	**Contributions by employer**	**31-Mar-20**
Defined benefit obligation	(3)	(2)	(0)	(2)	1	-	0	0	(0)	(0)	-	(4)
Benefit liability	**(3)**			**(2)**						**(0)**	**0**	**(4)**

(All amounts in Rupees million, except per share amounts unless stated otherwise)

The principal assumptions used in determining gratuity for the Group's plans are shown below:

Particulars	**31 March 2021**	**31 March 2020**
Discounting rate	6.8%	6.8%
Future salary increase	5.0%	7.0%
Retirement age (years)	60	60
Mortality table	100% of IALM (2012 - 14)	
Ages	**Withdrawal Rate (%)**	
Up to 30 years	10	6
From 31 to 44 years	37	37
Above 44 years	12	3

The discount rate is generally based upon the market yields available on government bonds at the accounting date with a term that matches the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

A quantitative sensitivity analysis for significant assumption as at 31 March 2021is as shown below:

Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined obligation (refer note 36)	0	0	0	0

A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

Assumptions	**Discount rate**		**Future salary increases**	
Sensitivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined obligation (refer note 36)	0	0	0	0

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Other long-term employee benefits

Compensated absences:

Compensated absences expense recognised in salaries, wages and bonus for the year ended 31 March 2021and 31 March 2020 are as follows:

Particulars	**31 March 2021**	**31 March 2020**
Current service cost	2	6
Interest cost	1	1
Actuarial (gain) / loss (refer note 36)	(7)	0
Net Cost	**(4)**	**7**

The principal assumptions used in determining obligations are shown below:

Particulars	**31 March 2021**	**31 March 2020**
Discounting rate	6.8%	6.8%
Future salary increase	5.0%	7.0%
Retirement age (years)	60	60
Mortality table	100% of IALM (2006 - 08)	
Ages	**Withdrawal Rate (%)**	
Up to 30 years	10	6
From 31 to 44 years	37	37
Above 44 years	12	3

(All amounts in Rupees million, except per share amounts unless stated otherwise)

The principal assumptions are discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Reconciliation of opening and closing balances of obligations.

Particulars	**31 March 2021**	**31 March 2020**
Change in Projected Benefit Obligation (PBO)		
PBO at beginning of year	14	9
Current service cost	2	6
Interest cost	1	1
Benefits paid	(2)	(2)
Actuarial (gain) / loss	(7)	0
Projected benefit obligation at year end	**8**	**14**

28 Contingent Liabilities

	As at 31 March 2021	**As at 31 March 2020**
Matter under litigation		
Entry tax and value added tax	58	57
Service tax	585	596
Others	246	244
Total (A)	**889**	**897**

The management believes that the outcome of these contingencies will be favorable and that a loss is not probable.

a) Provident fund

In view of recent Hon'ble Supreme Court of India Judgement, in the case of "Regional Provident Fund Commissioner (II) Vs Vivekananda Vidyamandir, West Bengal in relation to non-exclusion of certain allowance from the definition of "Wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees Provident Fund & Miscellaneous provision Act, 1952, the Group has obtained legal opinion in the matter. In terms of legal opinion, there are various interpretational issues and thus the Group is in the process of evaluating the impact.

Other Disputed matters not included above.

b) License fee and Spectrum Usage charges Matter (AGR)

During earlier years, the Department of Telecommunication ('DoT') had raised demands for payment of license fees, spectrum usages charges ("SUC") and interest (interest on principal and interest on penalty)/penalty thereon for various financial years on account of difference in interpretation of Adjusted Gross Revenue ("AGR") and other assessment related matters. The Company had contested these demands by filing petition/s with the Hon'ble TDSAT. In its Order dated 23 April 2015, the Hon'ble TDSAT set aside all the demands under dispute and directed to the DoT to rework demands for the license fees and SUC payable by the Company in light of the findings, observations and directions made in the Order. The DoT had approached the Hon'ble Supreme court against the order of Hon'ble TDSAT.

On 24 October 2019, the Hon'ble Supreme Court of India delivered a judgement in relation to a long outstanding industry-wide case upholding the view of the DoT in respect of the definition of AGR ('Court Judgement').

Per the details filed by the DoT dated 23.07.2019, the demand of DoT on the Company is Rs. 3,019, which includes AGR liability related to 9 operating circles transferred to Reliance Communications Limited ('RCOM') as well as liability for 21 licenses Quashed in 2012.

As per the SCHEME approved by the High Court of Mumbai and Rajasthan, DoT letter dated 20 October 2017 approving SCHEME and legal opinion obtained by the Company; AGR liability upto Rs. 2,214 for licenses quashed in 2012 and complete AGR liability for 9 operating circles has been transferred to RCOM under the SCHEME.

On 08.04.2021 DoT has filed an affidavit in compliance of Court Judgment. In affidavit, DoT has produced a table wherein DoT has reiterated / confirmed the amount of total dues of RCOM including SSTL's due as well.

The Company, without prejudice and given that matter is pending in court, additional estimated provision of Rs.590 (total provision made of Rs. 863) had been recognized during the previous financial year as exceptional item. The Company expects no additional financial liability in this matter.

c) One Time Spectrum charges ('OTSC')

During 2014-15, DoT issued Show Cause Notice of Rs 6,369 towards One Time Spectrum Charges to the Group for continuation of its services, post cancellation of its 21 telecom licenses, from 2 February 2012 till closure of services in 13 service areas and till last valid date of the licenses in 8 service areas where the Group secured spectrum in the auction conducted by the DoT in March 2013 and new licenses.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

The Group has submitted its reply to the DoT on 6 January 2015. Subsequently, the DoT has issued a demand notice dated 22 September 2016 of Rs 6,369 and interest thereon of Rs 1,836. The Group has filed a petition in Hon'ble TDSAT. While matter was pending with Hon'ble TDSAT, the DoT, vide its letter dated 14 February 2017, revised its demand to Rs 5,849 (excluding interest) and interest thereon of Rs 3,416 and further revised the demand, vide its letter dated 13 June 2017, to Rs 5,849 and interest thereon of Rs 3,699. TDSAT vide its final order dated 10 May 2018 has allowed petition of the Groupand directed DOT to issue revised demand as per Order.Based on above order,DOT has revised its demand to Rs. 1,078 and the same has been paid by Group.

DOT has filed Appeal before Hon'ble Supreme Court against TDSAT judgment. Appeal is pending in Hon'ble Supreme Court.

d) Liquidated Damages ('LD')

The Group received a Show Cause Notice ('SCN') dated 17 June 2016 issued by DoT for Liquidated Damages ('LD') in respect of non-fulfillment of roll out obligations of GSM spectrum of Rajasthan Circle. The Group has filed its detailed response dated 1 July 2016 to the SCN with DOT. Since there are no separate roll-out obligations under the UASL and the GSM spectrum granted to the Group was an additional spectrum granted under the existing UASL and does not entail any new roll-out obligations other than as explicitly stated in the UASL. The DoT served a demand vide its letter dated 25 November 2016 of Rs 140. The Group has filed a petition in Hon'ble TDSAT to challenge the demand.

Further, the Group received the demand notices from DoT of Rs 653 in 2010/2011 for LD for non-fulfillment of roll out obligations under the License and the Group has paid (paid under protest) amount of Rs. 594 against the said demand notes. TDSAT vide its order dated 13 January 2012 ordered the quashing of above demands and directed the DoT to re-compute fresh demands based on the directions given in the Order. As of reporting date, the matter is pending before Hon'ble Supreme Court of India. During the year 2016-17, the Group has received the revised demand notices of Rs. 791 from DoT in respect of LD for non-fulfillment of roll out obligations under the License based on above judgement but without considering the procedural delay in various approvals.

Based on its assessment, the Group does not foresee any further liability. During the previous financial year 2017-18 the Group has transferred the liability for above dispute of Rs. 247 to RCOM as per SCHEME.

e) Claims from IP (Infrastructure provider) Vendors

Certain passive infrastructure vendors ('the Vendors') raised claims amounting to Rs 1,868 (2020– 1,868) and interest thereon due to premature termination of the respective service contracts by the Group as a result of discontinuation of operations in the thirteen telecom circles in pursuance of the Order issued by the Hon'ble Supreme Court of India related to cancellation of the Compay's Telecom Licenses. These Vendors served notices invoking the dispute resolution mechanism as per the respective service contracts and the matters were referred to the Arbitral Tribunals for adjudication. The Arbitral Tribunals decided the matters in favor of the Group rejecting the claims for premature termination (exit charges) of service contracts. The vendors subsequently filed appeals before the Hon'ble Delhi High Court challenging the orders passed by the Arbitral Tribunals. These appeals are pending before the Hon'ble High Court. The Group has transferred the liability.

29 Related party transactions

List of related Party

(i) Name of related party where control exists

Relation	**Name of the related party**
Holding company	Sistema PJSFC
Subsidiary company	Sistema Internet Services Limited (SISL) (Formerly known as Shyam Internet Services Limited)

(ii) Names of other related parties with whom transactions have taken place during the year

Relation	**Name of the related party**
Key management personnel ('KMP')	-Neera Sharma (Whole Time Director & CEO) -Bharat V Patel (Independent Director) - Vikram Kaushik (Independent Director)

(iii) List of fellow subsidiaries is as below :

(where transactions have taken place during the year)

- Sistema Asia Pte. Limited
- Sistema Asia Capital Pte. Limited
- INSITEL Services Private Limited
- SACAP India Private Limited
- Sistema Asia Fund Pte. Ltd.

Notes to Consolidated financial statements for the year ended 31 March 2021
(All amounts in Rupees million, except per share amounts unless stated otherwise)

Transaction with related parties

Particulars	Year	Nature of relationship									
		Holding Co	Subsidiary Co						KMP**		
		Sistema PJSFC	Sistema Asia Fund Pte. Ltd.	Sistema Asia Capital Pte. Ltd.	Sistema Asia Pte. Ltd.	INSITEL Services Private Limited	SACAP India Private Limited	Bharat V Patel	Vikram Kaushik	Neera Sharma	Neera Sharma
Loan repayment	2020-21	-	-	-	-	750	-	-	-	-	-
	2019-20	-	-	-	-	90	-	-	-	-	-
Loan taken	2020-21	-	-	-	-	30	-	-	-	-	-
	2019-20	-	-	-	-	160	-	-	-	-	-
Managerial remuneration	2020-21	-	-	-	-	-	-	-	-	20	20
	2019-20	-	-	-	-	-	-	-	-	21	21
Interest on loan (refer note 2(n) and 13 (a))	2020-21	-	-	-	-	22,695#	-	-	-	-	-
	2019-20	-	-	-	-	20,139#	-	-	-	-	-
Business Support Services (Income)	2020-21	-	-	-	-	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-	-	-	-	-
Shared Service centre fee/ Support Service fee (Income)	2020-21	-	0	6	6	-	3	-	-	-	-
	2019-20	-	-	1	2	-	3	-	-	-	-
Director's sitting fees	2020-21	-	-	-	-	-	-	1	1	-	-
	2019-20	-	-	-	-	-	-	1	1	-	-
Allowance for credit losses on trade receivables	2020-21	-	-	-	-	-	-	-	-	-	-
	2019-20	-	-	-	5	-	-	-	-	-	-

During the current and previous financial year, the Group has not issued any RPS. Interest on loan (INSITEL Services Private Limited) consist of interest provided on borrowing part of Redeemable Preference Shares of Rs. 22,653(2020 Rs. 20,062).

Notes to Consolidated financial statements for the year ended 31 March 2021
(All amounts in Rupees million, except per share amounts unless stated otherwise)

Balance Outstanding

Particulars	Year	Nature of relationship			
		Fellow Subsidiaries			KMP**
		INSITEL Services Private Limited	Sistema Asia Capital Pte. Ltd.	Sistema Asia Pte. Ltd.	Neera Sharma
Loan outstanding	31-Mar-2021	-	-	-	-
	31-Mar-2020	720	-	-	-
Redeemable Preference Share (refer note 2(n) and 13 (a))	31-Mar-2021	141,694	-	-	-
	31-Mar-2020	141,694	-	-	-
Interest on liability portion of RPS (refer note 2(n) and 13 (a))	31-Mar-2021	91,236	-	-	-
	31-Mar-2020	91,236	-	-	-
Interest Accrued but not due	31-Mar-2021	-	-	-	-
	31-Mar-2020	27	-	-	-
Amount recoverable/ Trade receivable	31-Mar-2021	-	1	1	-
	31-Mar-2020	-	1	5	-
Allowance for credit losses on trade receivables	31-Mar-2021	-	-	-	-
	31-Mar-2020	-	-	5	-

Terms and conditions of transactions with related parties

The services provided and received from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free (except for loans and redeemable preference share) and settlement occurs in cash.

** The remuneration to the KMP does not include the provisions made for gratuity, compensated absences as they are determined on an actuarial basis for the Group as a whole. Performance link incentive is included in KMP remuneration only when amount became due for payment on fulfilling certain conditions.

INSITEL Services Private Limited (the fellow subsidiary of the Group) has given the security to the bank for issuance of Bank Guarantee of Rs. 1,917 (2020: Rs. Nil)

PJSFC Sistema, holding company, has given corporate guarantee Rs. 1,750 to certain lenders for non fund facilities availed by the Group.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

30 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

(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, foreign currency risk and price risk. Financial instruments affected by market risk include, interest bearing loans and borrowings and fixed deposits.

The sensitivity analysis has been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments are all constant.

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

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 as on reporting date.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

As the Group has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates, which are included in interest bearing loans and borrowings in these financial statements.

Fair value sensitivity analysis for fixed rate instruments

The Group does not have any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss and neither would it affect the equity.

Foreign currency risk

The Indian Rupee is the Group's most significant currency. As a consequence, the Group's results are presented in Indian Rupee and exposures are managed against Indian Rupee accordingly. 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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). The year end foreign currency exposures that have not been hedged are Rs 2(USD .03 Mn) [31 March 2020: Rs 1(USD .01Mn)]. The Group has not entered into any derivative arrangements during the year.

The following table demonstrates the sensitivity in the USD to the functional currency of the Group, with all other variable held constant. The impact on the Group's net loss is due to changes in the fair value of monetary assets and liabilities.

Particulars	Effect on loss before tax (increase)/ decrease
For the year ended 31 March 2021	
INR appreciates 5% against USD	(0.11)
INR depreciates 5% against USD	0.11
For the year ended 31 March 2020	
INR appreciates 5% against USD	(0.05)
INR depreciates 5% against USD	0 .05

(b) 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 Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management.

(All amounts in Rupees million, except per share amounts unless stated otherwise)

Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	Note	As at 31 March 2021	As at 31 March 2020
Security deposits (current and non - current)	5	5	7
Trade receivables	8	26	27
Other current financial assets	6	45	510
Total		**76**	**544**

The ageing of financial assets at the reporting date was:

Particulars	As at 31 March 2021	As at 31 March 2020
Not past due	50	517
Past due 0-30 days	5	4
Past due 31-90 days	8	9
Past due 90 days-one year	12	11
More than one year	1	3
Total	**76**	**544**

Movement of allowance for financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Opening allowance for financial assets	12	5
Add: Addition in allowances during the year	10	7
Less: Write off during the year	-	-
Less: Adjusted during the year	12	-
Closing allowance for impairment in financial assets	**10**	**12**

(c) Liquidity risk

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

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of short term and long-term loans and borrowings. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, and reserve borrowing facilities, by continuously forecast and actual cash flows, and by matching the maturity profile of financial assets and liabilities.

The following are the contractual maturities of the financial liabilities, including estimated interest payments as at 31 March 2021:

	Carrying amount	Contractual cash flows	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	842	842	-	842	-	-	-	842
Borrowings								
Non Cumulative Non-convertible Redeemable Preference Shares	195,203	280,441	-	-	-	238,528	41,913	280,441
Other financial liabilities								
Sundry creditors for capital goods	7	7	-	7	-	-	-	7
	196,052	**281,290**	**-**	**849**	**-**	**238,528**	**41,913**	**281,290**

(All amounts in Rupees million, except per share amounts unless stated otherwise)

The following are the contractual maturities of the financial liabilities, including estimated interest payments as at 31 March 2020:

	Carrying amount	Contractual cash flows	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	889	889	-	889	-	-	-	889
Lease Liability	1	1	-	0	1	-	-	1
Borrowings								
Non Cumulative Non-convertible Redeemable Preference Shares	172,550	280,441	-	-	-	194,798	85,643	280,441
Loan from fellow subsidiary (unsecured)	720	720	-	-	720	-	-	720
Other financial liabilities								
Interest accrued but not due	27	27	-	27	-	-	-	27
Sundry creditors for capital goods	7	7	-	7	-	-	-	7
	174,194	**282,085**	**-**	**923**	**721**	**194,798**	**85,643**	**282,085**

31 Income taxes

Deferred tax

The Group has incurred losses during the year and earlier years. Since it is not probable that taxable profit will be available against which the temporary difference can be utilised,the Group has not recognised any deferred tax assets resulting from the carried forward tax losses and unabsorbed depreciation. Further, no deferred tax liabilities on amount recognised directly in equity and other temporary timing differences have been recognised as it would be set off against these deferred tax assets.

32 Impact of COVID-19 (Global pandemic)

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, intangibles, investments and other assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external sources of information.The Group has reviewed the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

33 Event after the reporting period

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.There are no significant event to be reported.

34 Social security code

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

35 Information with respect to 100% subsidiary as at 31 March 2021.

Particulars	SISL
Share capital	8
Reserves and surplus	(62)
Total assets	9
Total liabilities	64
Turnover (total revenue)	0
Profit before taxation	0
Profit after taxation	0

(All amounts in Rupees million, except per share amounts unless stated otherwise)

36 Details of rounded off amounts

The financial statements are presented in million. Those items which are required to be disclosed and which are not represented in the financial statements due to rounding off to nearest million are given as follows:

Note	Description	As at 31 March 2021	As at 31 March 2020
PL	Remeasurement gains/ (lossess) on defined benefit plans	0.235	(0.286)
Cash flow	Unrealised foreign exchange gain, net	(0.134)	-
Cash flow	- Increase/(decrease) in provisions	-	(0.409)
Cash flow	Payments for property, plant and equipment	0.057	0.057
Cash flow	Payment of lease liability	(0.417)	-
3	Computers_Additions	0.219	0.136
	Plant and equipment_Additions	0.129	-
	Plant and equipment_disposals of assets	-	(0.033)
	Computers_disposals of assets	(0.345)	(0.142)
	Vehicles_disposals of assets	-	(0.377)
	Capital work-in-progress_disposals of assets	-	(0.121)
	Furniture and fixtures_disposals of assets	(0.016)	-
	Office equipment_disposals of assets	(0.006)	-
	Furniture and fixtures_Reclassified as held for sale	(0.181)	-
	Office equipment_Reclassified as held for sale	(0.223)	-
	Furniture and fixtures_depreciation	0.011	0.033
	Computers_depreciation	0.345	0.502
	Office equipment_depreciation	0.036	0.078
	Vehicles_depreciation	-	0.019
	Computers_Eliminated on disposals of assets	(0.303)	(0.142)
	Office equipment_Eliminated on disposals of assets	(0.002)	-
	Plant and equipment_Eliminated on disposals of assets	-	(0.033)
	Vehicles_Eliminated on disposals of assets	-	(0.321)
	Furniture and fixtures_Eliminated on disposals of assets	(0.005)	-
	Office equipment_Eliminated on disposals of assets	(0.106)	-
	Furniture and fixtures_Reclassified as held for sale	(0.061)	-
	Furniture and fixtures_Closing balance	-	0.164
	Vehicles_Closing balance	-	0.170
	Office equipment_Closing balance	0.042	0.399
3(a)	Right of use assets		
	Depreciation charge during the year	0.026	0.026
	Eliminated on disposals of assets	(0.025)	-
6	Advances for value to be received_Other current assets	(0.104)	0.298
8	Cash on hand	0.065	0.065
11	Other equity		
	Retained earnings	0.235	(0.286)
13	Provision		
	Interest accretion_Gratuity	0.286	-
15(a)	Lease liabilities		
	Interest accrued during the year	(0.020)	0.134
	Payments	(0.397)	-
18	-Other financial assets carried at amortised cost	-	(0.003)
	Net loss/ (gain) on foreign currency transaction and translation	(0.134)	-
20	Finance costs		
	Interest on lease liability	-	0.134
21	Other expenses		
	Insurance	0.035	0.084
	Other services (certification fees)_Payment to auditors	-	0.490

(All amounts in Rupees million, except per share amounts unless stated otherwise)

	Reimbursement of expenses_Payment to auditors	0.027	0.027
27	Impact on defined obligation		
	Discount rate (0.5% increase)	(0.075)	(0.134)
	Discount rate (0.5% decrease)	0.078	0.142
	Future salary increase (0.5% increase)	0.079	0.141
	Future salary increase (0.5% decrease)	(0.076)	(0.134)
	Compensated absences:		
	Actuarial (gain) / loss	-	0.431
29	Related party transactions		
	Sistema Asia Fund Pte. Ltd.		
	Shared Service centre fee/ Support Service fee (Income)	0.456	-

37) The Group did not have any long-term contracts including derivative contracts for which there were any materialforeseeable losses.

38) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Group.

39) Segment reporting

The Groupis engaged in business providing managed services. This is the only activity performed and is thus also the main source of risks and returns. Accordingly, the Group has a single reportable segment. Further, as the Group operate in only one geographical segment namely, India hence the relevant disclosures as per Ind AS 108 are not applicable to the Group.

40) Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021. MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting April 1, 2021.

For and on behalf of the Board of Directors

Sergey Savchenko
Chairman
DIN - 02891905

Neera Sharma
Whole Time Director & CEO
DIN - 00975300

Vinay Mittal
Chief Financial Officer
Place : Singapore
Date : 04 August 2021

Archit Sood
Company Secretary

Form AOC - I

Information with respect to 100% Subsidiary – Sistema Internet Services Limited (Formerly, Shyam Internet Services Limited)

(as required under first proviso to sub-section (3) of section 129)

Statement containing salient feature of the financial statement of subsidiary

Part "A"

1.	Name of subsidiary	Sistema Internet Services Ltd. (SISL)
2.	Reporting Period	1 April 20 to 31 March 21 (Amount in Rs. Million)
3.	Share capital	8
4.	Reserves and surplus	(62)
5.	Total assets	9
6.	Total liabilities	64
7.	Turnover (total revenue)	0
8.	Profit before taxation	0
9.	Provision for taxation	Nil
10.	Profit before taxation	0
11.	Proposed dividend	Nil
12.	% of shareholding	100%

Part "B"

As the company does not have any Associates and Joint Ventures, therefore information required in Part "B" is not applicable to the company.

For and on behalf of the Board of Directors

Sergey Savchenko
Chairman
DIN - 02891905

Neera Sharma
CEO (Whole Time Director)
DIN - 00975300

Vinay Mittal
Chief Financial Officer
PAN – AAKPM6793L

Archit Sood
Company Secretary
ACS-18169

Place : Singapore
Date : August 04, 2021

NOTICE OF 26TH ANNUAL GENERAL MEETING

Notice is hereby given that the **26th Annual General Meeting of the members of Sistema Smart Technologies Limited** (previously known as Sistema Shyam Teleservices Limited) will be held at 2:00 P. M. IST on Thursday, the 16th day of September, 2021 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), in light of the COVID-19 crisis and in accordance with Circular dated January 13, 2021 read with circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars") issued by the Ministry of Corporate Affairs, Government of India to transact the following businesses:

ORDINARY BUSINESS

1. a) To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended on 31st March 2021 together with the Directors' Report and the Auditors' Report thereon.

   b) To receive, consider and adopt the Consolidated Audited Financial Statements of the Company for the financial year ended on 31st March 2021 together with the Auditors' Report thereon.

2. To appoint a Director in place of Mr. Sergey Savchenko (DIN: 02891905)who retires by rotation and being eligible, offers himself for re-appointment.

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

"RESOLVED that pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time ("Act"), Deloitte Haskins & Sells LLP, Chartered Accountants, Firm Registration No. 015125N, be and are hereby appointed as the statutory auditors of the Company for a period of 2 (Two) Years i.e. Financial year 2021-22 and 2022-23 and to hold office from the conclusion of this (26th) annual general meeting until the conclusion of the 28th annual general meeting of the Company.'

'RESOLVED FURTHER that approval be and is hereby accorded for payment of statutory audit fees of Rs.18,00,000/- (Rupees eighteen lakhs only) plus reimbursement of out of pocket expenses and applicable taxes to M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, for the financial year 2021- 22 and the Board of Directors of the Company be and they are hereby authorised to pay such statutory audit fees as recommended by the Audit Committee and as they may deem fit for the remaining tenure of their appointment."

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 197 and 198 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013, as amended up to date, approval of the members of the Company be and is hereby accorded for the payment of excess Performance Linked Incentive ("PLI") of **Rs.14,40,107/- (Rupees fourteen lakhs forty thousand one hundred and seven only)** to Mrs. Neera Sharma (DIN:00975300), Whole Time Director designated as CEO of the Company, for the calendar year 2020, which is in excess of maximum amount of upto 100% of her Gross Fixed Salary as approved by the shareholders at Annual General Meeting held on September 08, 2020.'

   'RESOLVED FURTHER THAT any of the Directors and Mr. Archit Sood, Company Secretary of the Company, be and are hereby severally authorized to sign, execute, authenticate and file necessary forms, applications, declarations, and to take all other necessary steps and actions for and on behalf of the Company as may be required and as may be deemed fit and appropriate to give effect to the aforesaid resolution."

By Order of the Board
For Sistema Smart Technologies Limited

Place : Gurugram
Date : August 04, 2021

Archit Sood
Company Secretary
Membership No. : ACS18169

NOTES

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto. Relevant documents referred to in the accompanying Notice calling the AGM will be made available for electronic inspection by the Members upon sending the email to the Company at cssstl@sistema.co.in upto the date of the AGM. The said documents will be available for electronic inspection for the Members without any fee.

2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide it's circular dated January 13, 2021 read with circulars dated April 8, 2020 and April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the "AGM" through Video Conferencing (VC) / Other Audio-Visual Means (OAVM), without the physical presence of the Members at a common venue. In accordance with the MCA Circulars, the Companies are permitted to conduct their AGM on or before December 31, 2021 in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 05, 2020. Accordingly, in compliance with the provisions of the Act and MCA Circulars, the AGM of the Company is being held through VC / OAVM facility, without the physical presence of Members at a common venue. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the 26th AGM shall be the Registered Office of the Company.

3. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since the AGM is being held in accordance with the MCA Circulars through VC, the facility for appointment of proxies by the Members will not be available. However, Corporate Members are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate thereat and cast their votes through e-voting and participate in remote e-voting..

4. The Company has engaged the services of M/s KFin Technologies Private Limited (Kfintech), Registrars and Transfer Agents (RTA), to provide video conferencing facility and e-voting facility for the AGM

5. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company, RTA or CDSL / NSDL ("Depositories"). Members may note that the Notice and Annual Report 2020-21 will also be available on the website of Kfintech at www.kfintech.com.

6. Members whose email address are not registered can register the same in the following manner:

   (i) Members holding share(s) in physical mode can register their e-mail addresses on the Kfintech website at https://karisma.kfintech.com/emailreg by providing the requisite details of their holdings and documents for registering their e-mail address. Post successful registration of the email address, the shareholder would get soft copy of the notice and the procedure for e-voting along with the User ID and Password to enable e-voting for this AGM. In case of any queries, shareholder may write to einward.ris@kfintech.com & evoting@kfintech.com or contact Mr. Hanumantha Rao Patri of KFin Technologies Private Limited at 040-67162222 or at 1800 345 4001 (Toll Free);

   (ii) Members holding share(s) in electronic mode are requested to register / update their e-mail address with their respective Depository Participants "DPs" for receiving all communications from the Company electronically.

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

8. Since the AGM will be held through VC/ OAVM facility, the route map, proxy form and attendance slip are not annexed in this Notice.

9. In case of joint holders attending the Meeting, the joint holder who is highest in the order of names will be entitled to vote at the Meeting.

10. Members holding shares in physical form are requested to furnish bank details, e-mail address, change of address etc. to the Company's Registrar & Share Transfer Agents: KFin Technologies Private Limited, Selenium Tower B, Plot Nos. 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032, so as to reach them latest by Wednesday, September 09, 2021, in order to take note of the same. In respect of members holding shares in electronic mode, the details as would be furnished by the Depositories as at the close of the aforesaid date will be considered by the Company. Hence, Members holding shares in demat mode should update their records at the earliest

11. Instructions for attending the AGM through VC/ OAVM are as under:

   a) Members will be provided with a facility to attend the AGM through video conferencing platform provided by Kfintech. Members may access the same at https://evoting.kfintech.com/ by using the remote e-voting credentials. The said credentials will be sent to the registered email ID by Kfintech. The link for AGM will be available after login, where the EVENT and the name of the company can be selected. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.

   b) Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and Members who may like to express their views or ask questions during the AGM may register themselves as Speaker by clicking on the "speaker Registration" after logging at https://emeetings.kfintech.com by using e-voting login credentials 48 hours before start of the AGM. Facility of joining AGM may be closed on expiry of 15 minutes from the schedule time of the AGM. Only those Members who register themselves as Speaker will be allowed to express views/ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

c) Members who would like to express their views/ask questions during the meeting may log into https:// evoting.kfintech.com/ and click on "AGM Questions" and post their queries/views/questions in the window provided by mentioning the name, demat account number/folio number, email id and mobile number. The "AGM Questions" window shall be activated during the remote e-voting period and shall be closed 24 hours before the AGM.

d) Facility of joining the AGM through VC / OAVM shall be available for 1000 members on first come first served basis. However, the participation of members holding 2% or more shares, promoters, and Institutional Investors, directors, key managerial personnel, chairpersons of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.

e) Members who need technical assistance before or during the AGM, can contact with Mr. Hanumantha Rao Patri of Kfintech at einward.ris@kfintech.com & evoting@kfintech.com or call at 040- 67162222 or at 1800 345 4001 (Toll Free).

f) Members are encouraged to join the Meeting through Laptops for better experience. Further Members will be required to use Internet with a good speed to avoid any disturbance during the meeting. Please note that Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

INSTRUCTIONS FOR E-VOTING/REMOTE E-VOTING :

12 Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to timeand Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech on all the resolutions set forth in this Notice. Please note that e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

13. The Facility for voting through electronic voting system shall also be made available at the meeting and members attending the meeting who have not already cast their vote may exercise their vote through evoting during the AGM.

14. The Members who have cast their vote by remote e-voting shall not be entitled to cast their vote again at the AGM.

15. The remote e-voting period begins at 9:00 A.M. on 13.09.2021 and ends at 5:00 P.M. on 15.09.2021. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 09.09.2021may cast their vote electronically. The remote e-voting module shall be disabled for voting thereafter.

16. The instructions for members for remote e-voting are as under:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Details on Step 1 are mentioned below:

I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of Shareholder	Login Method	
Individual Shareholders holding securities in demat mode with NSDL	**1.**	**User already registered for IDeAS facility:**
	I.	Visit URL: https://eservices.nsdl.com
	II.	Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.
	III.	On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"
	IV.	Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.
	2.	**User not registered for IDeAS e-Services**
	I.	To register click on link :https://eservices.nsdl.com
	II.	Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	III.	Proceed with completing the required fields.
	IV.	Follow steps given in points 1 .
	3.	**Alternatively by directly accessing the e-Voting website of NSDL**
	I.	Open URL: https://www.evoting.nsdl.com/
	II.	Click on the icon "Login" which is available under 'Shareholder/Member' section.
	III.	A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.
	IV.	Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech.
	V.	On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting Period.

Individual Shareholders holding securities in demat mode with CDSL	**1.**	**Existing user who have opted for Easi / Easiest**
	I.	Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com
	II.	Click on New System Myeasi
	III.	Login with your registered user id and password.
	IV.	The user will see the e-Voting Menu. The Menu will have links of ESP i.e.KFintech e-Voting portal.
	V.	Click on e-Voting service provider name to cast your vote
	2.	**User not registered for Easi/Easiest**
	I.	Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
	II.	Proceed with completing the required fields.
	III.	Follow the steps given in point 1
	3.	**Alternatively, by directly accessing the e-Voting website of CDSL**
	I.	Visit URL: www.cdslindia.com
	II.	Provide your demat Account Number and PAN No.
	III.	System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account
	IV.	After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e- Voting is in progress
Individual Shareholder login through their demat accounts / Website of Depository Participant	I.	You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.
	II.	Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.
	III.	Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

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

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: **1800 1020 990 and 1800 22 44 30**
Securities held with CSDL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022- 23058738 or 022-23058542-43**

Details on Step 2 are mentioned below:

I) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode

(i) Open your web browser during the voting period and navigate to https://evoting.kfintech.com.

(ii) Enter the login credentials (i.e., user–id & password) sent by Kfintech. Your folio/DP/Client ID will be your User –ID.

(iii) Now, fill up the following details in the appropriate boxes.

Enter	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User-ID	a) For NSDL: - 8 Character DP ID followed by 8 digits Client ID. b) For CDSL: - 16 digits Beneficiary ID.	Event no. followed by Folio Number registered with the Company
Password	Your Unique Password sent via email forwarded through the electronic notice.	Your Unique Password sent via email forwarded through the electronic notice.
Captcha	Enter the Verification code i.e., Please enter the alphabets and numbers in the exact way as they are displayed for security reasons.	Enter the Verification code i.e., Please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

After entering these details appropriately, click on "SUBMIT" tab.

(iv) Please contact toll free No.1-800-34-54-001 for any clarifications.

(v) After entering these details appropriately, click on "LOGIN".

(vi) Members holding shares in Demat/Physical form will now reach Password change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through KFinteche-Voting platform. System will prompt you to change your password and update any contact details like mobile number, email ID etc. on 1stlogin. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care in keeping your password confidential.

(vii) You need to login again with the new credentials.

(viii) On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.

(ix) If you are holding shares in Demat form and have logged on to https://evoting.kfintech.com and casted your vote earlier for any company, then your existing login id and password are to be used.

(x) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST /ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholders do not want to cast, select 'ABSTAIN'.

(xi) After selecting the resolution you have decided to vote on, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL' and accordingly modify your vote.

(xii) Once your 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.

(xiii) Members can cast their vote online till they have voted on all the Resolutions till the end of the voting period.

(xiv) Corporate/ Institutional Members (corporate/FIs/FIIs/Trust/Mutual Funds/Banks, etc.) are required to send scan (PDF format) of the relevant Board Resolution to the Scrutinizer through email (awanishcorporate@gmail.com) & copy to evoting@kfintech.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."

(xv) The Company has appointed Mr. Awanish Dwivedi, Practicing Company Secretary, of Dwivedi & Associates, who in the opinion of the Board is a duly qualified person, as a Scrutinizer who will collate the electronic voting process in a fair and transparent manner. The Scrutinizer shall within a period of three working days from the date of conclusion of the shareholders meeting, submit his report after consolidation of e-voting and the votes in the shareholders meeting, cast in favour of or against, if any, to the Chairman of the Company. Results will be uploaded on the KFIntech's website.

By Order of the Board

For Sistema Smart Technologies Limited

Place : Gurugram
Date : August 04, 2021

Archit Sood
Company Secretary
Membership No.: ACS18169

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Firm Registration No. 015125N ("DHS LLP") were appointed as the Statutory Auditors of the Company at the 21st Annual General Meeting ('AGM') held on September 29, 2016 for a term of 5 years and DHS LLP holds office up to the conclusion of the ensuing Annual General Meeting of the Company.

The Audit Committee and the Board, unanimously, recommend the ordinary resolution as set out in item no. 3 of this notice taking into account credentials of DHS LLP and also based on the evaluation of the quality of audit work done by DHS LLP.

Credentials:

DHS LLP is a leading professional services firm of the country and has scale and capacity to serve across locations. DHS LLP provides professional services to some of the largest and most reputed companies across industries and sectors . DHS LLP is a part of global network, delivering services in audit & assurance, tax, consulting, financial advisory, risk advisory, and related services.

The terms and conditions of re-appointment of the statutory auditors and the proposed fees are as follows:

a. Term of Appointment: 2 years from the conclusion of this AGM till the conclusion of 28th AGM.

b. Proposed Fees: Remuneration for Statutory Audit of Rs.18,00,000/- (Rupees Eighteen Lakhs only) plus applicable taxes, travelling and other out-of-pocket expenses incurred by them in connection with the statutory audit of the Company for the financial year 2021-22. The remuneration payable to the statutory auditors for the remaining tenure of the proposed re-appointment will be subsequently determined by the Board as per the recommendations of the Audit Committee. The proposed fees is based on knowledge, expertise, industry experience, time and efforts required to be put in by them, which is in line with the industry benchmarks.

   The Board, based on the recommendation of the Audit Committee, unanimously, recommends the ordinary resolution as set out in item no. 3 of this notice.

None of the directors and key managerial personnel or their relatives are interested financially or otherwise in the resolution as set out in item no. 3 of this notice.

Item No. 4

The shareholders, at the Annual General Meeting ("AGM") of the Company held on September 08, 2020, approved the re-appointment and remuneration of Mrs. Neera Sharma (DIN:00975300) as Whole Time Director designated Chief Executive Officer of the Company. However, the Board of Directors, approved the payment of excess PLI of **Rs.14,40,107/- (Rupees fourteen lakhs forty thousand one hundred and seven only)** to Mrs. Neera Sharma (DIN:00975300), Whole Time Director of the Company, for the calendar year 2020 (i.e. January 1, 2020 to December 31, 2020), which is in excess of her Salary / Remuneration as approved by the shareholders at the Annual General Meeting of the Company held on September 08, 2020. The payment of above-mentioned excess of **Rs.14,40,107/- (Rupees fourteen lakhs forty thousand one hundred and seven only)** to Mrs. Neera Sharma was recommended by the Nomination and Remuneration Committee at its meeting held on January 27, 2021.

In terms of Section 197 and 198 of the Companies Act, 2013 and rules made thereunder read with Schedule V of the Companies Act, 2013 as amended up to date, the payment of excess remuneration for the calendar year to Mrs. Neera Sharma requires the approval of the shareholders by means of a special resolution to be passed at the general meeting.

Your Directors, therefore, solicit the approval of the members for payment of excess PLI of **Rs.14,40,107/- (Rupees fourteen lakhs forty thousand one hundred and seven only)** for the calendar year 2020 to Mrs. Neera Sharma and recommend the resolution proposed at Item No. 4 for the approval of the shareholders by way of a Special Resolution.

None of the Directors, Key Managerial Personnel, or their relatives, except Mrs. Neera Sharma, to whom the resolution relates, is concerned or interested in the proposed resolution.

By Order of the Board
For Sistema Smart Technologies Limited

Place : Gurugram
Date : August 04, 2021

Archit Sood
Company Secretary
Membership No.: ACS18169

Details of Director retiring by rotation seeking re-election at this Annual General Meeting:

Name of Directors	**Brief Resume and Directorship Details**
Mr. Sergey Savchenko (DIN: 02891905)	Mr. Sergey Savchenko, aged 63 years, is the Chairman of the Company. He holds a PhD degree in Economics and a Masters' degree in Economics from the Lomonosov Moscow State University and an MBA from Duke University, Fuqua Business School in the United States. He currently heads Sistema Asia Pte. Ltd. as its CEO and is also a director on the boards of Sistema Asia Fund Pte. Ltd. and Sistema Asia Capital Pte. Ltd. He has more than 30 years' rich experience with different companies encompassing Finance, Investment, Strategy and Management fields. Mr. Sergey Savchenko has been associated with the Company since September 2008. Prior to joining Sistema Asia Pte. Ltd., he served the Company as its CEO (from September 2015 to September 2018) and as its CFO (from September 2008 to September 2015). Before joining the Company in 2008, he was the Deputy CEO in Investment Group "Aton". From 1990-1999 he worked with Bain Link (Moscow Office of Bain & Co.) During 1999-2007, he worked on various positions involving Finance, Investment & Strategy, with PJSFC Sistema, including financial director and VP-Finance of the Group. Mr. Sergey Savchenko is not related with any other Director or Key Managerial Personnel of the Company. Mr. Sergey Savchenko does not hold any shares in the Company. He has attended 4 (four) Board Meetings held during the financial year 2020-21. Mr. Sergey Savchenko is also on the Board of following other companies: 1. SACAP India PrivateLimited 2. INSITEL Services Private Limited 3. SISTEMA Business Scalerator Private Limited 4. Sistema Asia Fund Pte Ltd 5. Sistema Asia Pte. Ltd 6. Sistema Asia Capital Pte. Ltd 7. Segezha International Pte. Ltd

CORPORATE INFORMATION

COMPANY SECRETARY
Archit Sood

CHIEF FINANCIAL OFFICER
Vinay Mittal

REGISTERED OFFICE
121, Doctors Colony
near DCM Ajmer Road Jaipur,
Rajasthan 302021

CORPORATE OFFICE
Plot No. 334,
Udyog Vihar, Phase-IV,
Gurgaon - 122001,
Haryana, India
Tel. : 91-0124-4812500
Fax : 91-0124-4812825
Email: cssstl@sistema.co.in

CIN: U74110RJ1995PLC017779

AUDITORS
Deloitte Haskins & Sells,
7th Floor, Building 10, Tower B,
DLF Cyber City Complex,
DLF City Phase-II,
Gurgaon - 122002, Haryana, India

SECRETARIAL AUDITORS
DWIVEDI & Associates
Company Secretaries
A-62, Basement, Defence Colony,
New Delhi - 110024

REGISTRAR & TRANSFER AGENT
Kfin Technologies Pvt. Ltd.
Karvy Selenium Tower B, Plot No. 31 &32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally,
Hyderabad - 500 008
Tel. No. 040-67161500
Fax No.: 040-23311968
E-mail ID: einward.ris@kfintech.com

DEPOSITORIES
National Securities Depository Ltd.
4th Floor, Trade World,
Kamla Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai - 400013, India
Tel.: 91-22-24994200
Fax: 91-22-66608035/24976351

Central Depository Services (India) Ltd.
Marathon Futurex A-Wing,
25th Floor, N.M. Joshi Marg, Lower Parel,
Mumbai - 400 013, India
Tel.: 91-22-22723333-3224
Fax: 91-22-22723199/22722072

BANKERS
ICICI Bank Ltd.
Central Bank of India
Syndicate Bank
Bank of Baroda
Kotak Mahindra Bank Ltd.

Note:

1. Name of the Company changed from 'Sistema Shyam Teleservices Limited', to "SISTEMA SMART TECHNOLOGIES LIMITED" w.e.f. September 28, 2018 vide approved letter from the Office of Registrar of Companies, Rajasthan, Jaipur.
2. Name of the Company's subsidiary changed from 'Shyam Internet Services Limited' to "SISTEMA INTERNET SERVICES LIMITED" w.e.f. August 29, 2018 vide approval letter from the Office of the Registrar of Companies, Delhi.

Sistema Smart Technologies Limited

CORP. OFFICE : 334, Udyog Vihar IV, Gurgoan - 122001
REGD. OFFICE : 121, Doctors Colony, Near DCM Ajmer Road Jaipur - 302021