SISTEMA SMART TECHNOLOGIES LIMITED

ANNUAL REPORT

2023-24

Contents

DIRECTORS' PROFILE

Sergey Savchenko
Director

Mr. Sergey Savchenko is Non-executive Director of the Company. He holds a PhD degree in Economics and a master's 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

Mr. Suman Sehgal
Independent Director

Mr. Suman Sehgal graduated from the prestigious St. Stephens College, New Delhi. After graduation he completed two years of practical training in West Germany with Fischer & Krecke following which he took over his family factory producing paper products in India as Managing Director. He went to Russia in1983 and acted as consultant to various Indian companies- Indian Tobacco Company, Godphrey Phillips, Tata Tea, Nestle, Mcneil & Magor, Rossell and Printers House India. Mr. Sehgal was instrumental in establishing brands such as Capstan and Four Square in the USSR. In Post-Soviet Russia, Mr. Sehgal was the leading Indian exporter of rice & Tea to Russia. Since 2000, Mr. Sehgal has consulted various Russian Enterprises including JSFC Sistema, Ural Mining & Metallurgical Company, Sberbank, Hydroenergostroy, Transmash holding & Novolipetsk Steel.

Neera Sharma
WTD (CEO)

Mrs. Neera Sharma is 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, is 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.

Preeti Singh
Independent Director

Ms. Preeti Singh has 27+ years of rich experience in 6 Sigma Business Strategy & Operations Management, CRM, Marketing and Public / Govt Relations. She is also familiar with the Indian legal, regulatory, and business landscape. She has held cutting edge leadership positions from Start- Up stage with Multinational giants like Reliance Industries Telecom, Retail & SEZ ventures, Max Bupa Insurance, MTS India launch, Bharti Airtel and PVR Cinemas. As a business leader, she specialized in creating synergized operations & leading cross functional teams' grounds up to profitability; through the core principle of Customer Delight – internally & externally.

Ms. Preeti Singh has the distinction of being the 1st woman to lead Profit Centre Field Operations in the Telecom Industry wherein she achieved an enviable 81% market share for her region for Ushafone. Her achievements have been recognized at various forums peaking with the award for - 'Leading Woman in Customer Service Relations' by ii Global Leadership Awards 2014. After 20+ years of launching and leading large teams in renowned Fortune 500 companies, Preeti chose to change the paradigm and use her experience to help Start-Ups & the Development / Government sector in India to replicate sustainable successes. She has mentored several marquee clients such as

- Madhya Pradesh Start Up Cells across cities,
- EduTech Start-Up for upskilling & sales,
- Airports Authority of India Quality Management,
- Triveni Glass expansion with Chinese Collaboration,
- United Nations projects in India amongst others.

DIRECTORS' REPORT

Dear Members,

Your directors take pleasure in presenting the Twenty-Ninth (29th) Annual Report on the business and operations of the Company together with Audited Financial Statement for the financial year ended 31st March 2024.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

A brief overview on Standalone and Consolidated Financial Performance for the Financial Year ('FY') ended March 31, 2024, is as follows:

(All amounts in Rupees million)

Particulars	STANDALONE		CONSOLIDATED	
	FOR THE YEAR ENDED 31.03.2024	FOR THE YEAR ENDED 31.03.2023	FOR THE YEAR ENDED 31.03.2024	FOR THE YEAR ENDED 31.03.2023
Revenue from Operation/Turnover	101.68	63.75	101.68	63.75
Other Income	166.94	111.27	159.31	112.29
Total Income	**268.62**	**175.02**	**260.99**	**176.04**
Less: Expenses during the year but excluding depreciation	18,875.91	18,143.49	18,876.70	18,144.15
(Loss)/ Profit before tax and depreciation	**(18,607.29)**	**(17,968.47)**	**(18,615.71)**	**(17,968.11)**
Less: Depreciation	6.43	2.80	6.43	2.80
Add: Exceptional Item	0.00	553.45	0.00	553.45
(Loss)/ Profit before tax	**(18,613.72)**	**(17,417.82)**	**(18,622.14)**	**(17,417.46)**
Less: Provision of Income tax including deferred tax	0.00	0.00	0.00	0.00
(Loss)/ Profit after tax	**(18,613.72)**	**(17,417.82)**	**(18,622.14)**	**(17,417.46)**
Other Comprehensive Income	(0.13)	(0.46)	(0.13)	(0.46)
Total Comprehensive Income for the year	**(18,613.85)**	**(17,418.28)**	**(18,622.27)**	**(17,417.92)**
Earnings / (Loss) per share (EPS)				
Basic	(7.77)	(7.28)	(7.28)	(7.28)
Diluted	(7.77)	(7.28)	(7.28)	(7.28)

2. STATE OF COMPANY'S AFFAIRS

During the year under review, the Company has made a net loss after tax of Rs.18,613.72 Million as against net loss after tax of Rs. 17,417.82 million during the financial year 2022-23 and the Company's revenue from operations is Rs. 101.68 million in the financial year, as against Rs.63.75 million in the previous financial year. The losses have Increased mainly due to finance cost (interest accrued on financial liability portion of Redeemable preference shares).

Revenue from operations have increased by Rs. 37.93 Mn mainly on account of increase in revenue from sale of goods and other income increased by Rs. 55.67 Mn. mainly due to increase in interest rate on fixed deposits. Company is cash positive during the current year.

3. DIVIDEND

In view of the losses incurred by the Company during the year 2023-2024, the Board does not recommend any dividend on Equity shares of the Company.

4. TRANSFER TO RESERVES

In view of the losses during the financial year under review, no amount has been proposed to transfer to the Reserve, except as required under any statute.

5. SHARE CAPITAL

There has been no change in equity share capital of the Company during the financial year 2023-24. The breakup of equity share capital along with foreign and Indian holding is as under: -

Name of the Shareholders	As at 31 March 2024		As at 31 March 2023	
	No. in millions	% holding in the class	No. in millions	% holding in the class
PJSFC Sistema	1810	75.62%	1810	75.62%
Russian Federation	547	22.86%	547	22.86%
Other	36	1.52%	36	1.52%
Total	**2394**	**100%**	**2394**	**100%**

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

During the period under review that there has been no change in the preference share, the structure of preference shareholders of the company as mentioned below:

Nature of share	Name of Preference shareholder	No. of shares (Face value Rs. 10 each)	% of shares
0.01% Non-Convertible Non-Cumulative Fully Redeemable Preference Shares	Insitel Services Private Limited	14,169,400*	100%

**As per the original agreement the redemption preference shares were to be started from financial year 2022-23. The preference shareholder gave their consent to the company for the extension of RPS on the mutually agreed terms. Therefore, the Board of Director in its meeting dated 19 April 2022 has amended the terms of the RPS agreement. As per the revised term of the agreement, the parties have mutually decided to extend the redemption period by 5 years (i.e. from 10 years to 15 years) with no redemption premium shall accrue or be payable for the extension period (i.e. 5 years). Further as per the terms of the agreement the parties may mutually decide to extend the redemption period (upto 20 years).*

6. CHANGE IN NATURE OF BUSINESS

During the period under review there is no change in the nature of the business of the company.

7. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes or commitments affecting the financial position of the Company occurred between the end of the financial year to which the financial statements relate and as on the date of this report.

8. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/ TRIBUNALS/

During the year under review, there has been no significant and material orders have been passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in the future.

9. DETAILS OF SUBSIDIARIES/JOINT VENTURES/ ASSOCIATE COMPANIES

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.

10. MANAGEMENT

(a) Board of Directors

The Company has a very strong Board of Directors, constituted in compliance with the Companies Act, 2013. As on March 31, 2024, the Board consist of Four (04) Directors, out of which Two (2) are Non-executive and Independent Directors, one (1) is Non-executive and Non-independent Directors and remaining One (1) is Whole-time Director and Chief Executive Officer. The structure of the Board of Directors as on March 31, 2024, is as below:

Sl. No.	Directors	DIN/PAN	Director
1.	Mr. Sergey Savchenko	02891905	Director
2.	Mr. Vikram Girish Kaushik*	00020529	Independent Director
3.	Ms. Preeti Singh	07028632	Independent Director
4.	Mrs. Neera Sharma	00975300	Whole Time Director and Chief Executive Officer

(b) Change in Directors

During the review period, no change has been occurred in the composition of the Board of Directors.

*Mr. Vikram Girish Kaushik had stepped down as the Independent Director of the Company on 15th July, 2024. In Order to stay compliant with the composition rules, the Board had appointed Mr. Suman Sehgal as an Additional Director with effect from 15th July, 2024 and his appointment will be regularized in the forthcoming Annual General Meeting of the Company.

(c) Retirement By Rotation

In accordance with the provisions of the Companies Act, 2013 not less than 2/3rd (Two-third) of the total number of Directors (other than Independent Directors) shall be liable to retire by rotation. Accordingly, Mr. Sergey Savchenko (DIN: 00975300), Director of the Company is liable to retire by rotation and, being eligible, offers himself for re-appointment.

(d) Declaration by Directors

None of the Directors of the Company are disqualified from being appointed as Directors as specified in Section 164(2) of the Act.

Pursuant to the provisions under Section 134(3) (d) of the Act, with respect to statement on declaration given by Independent Directors under Section 149(6) of the Act, the Board hereby confirms that all the Independent Directors of the Company have given a declaration and have confirmed that they meet the criteria of independence as provided in the said Section 149(6)

(e) Key Managerial Persons

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the key managerial personnel of the Company as on March 31, 2024, are:

Sr. No.	Name	Designation
1.	Mrs. Neera Sharma	Whole-Time Director & Chief Executive Officer
2.	Mr. Vinay Mittal	Chief Financial Officer
3.	Ms. Ruchika Pareek*	Company Secretary

** Ms. Ruchika Pareek resigned from the position of Company Secretary on 8th July, 2024, and Company had appointed Ms. Khushbu Pawar (ICSI Mem. No. A61062) as Company secretary of the company with effect from 15th July 2024.*

(f) Board Committees

For the details of Board committees, please refer to the Corporate Governance Report, which is a part of this report.

11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES:

The Board met Four (04) times during the financial year 2023-2024. For details of meetings of the Board, please refer to the Corporate Governance Report, which is a part of this report. The time gap between the two meetings was less than 120 days.

12. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS:

The Company is committed to ensure that its operations are carried out within a well-defined internal control framework, good governance, robust systems and processes, a vigilant finance function and an independent Internal Audit function are the foundations of the internal control systems.

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. Through our internal audit processes at all levels, both the adequacy and effectiveness of internal controls across various businesses and compliance with laid-down systems and policies are being regularly monitored. The Internal Audit of the Company is regularly carried out to review the internal control systems and processes. The internal Audit Reports along with implementation and recommendations contained therein are periodically reviewed.

During the year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on the inefficiency or inadequacy of such controls.

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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 on an arm's length basis and entered into the ordinary course of business by the Company. All such transactions were periodically placed before the Audit Committee for its approval. The 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-DR-1.**

14. ANNUAL RETURN

Pursuant to Section 92(3) read with Rule 12 of Companies (Management & Administration rules) 2014 and Section 134(3)(a) of the Companies Act, 2013, the extract of the Annual Return in prescribed Form MGT-9 is annexed with this report as **Annexure-DR-2.**

15. 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- DR-3** and forms part of this report.

16. AUDITORS AND AUDITORS REPORT:

(a) <u>Statutory Auditors</u>:

M/s. VJSJ & CO LLP Chartered Accountants (ICAI Firm Registration No. N500112) was appointed as Statutory Auditors of the Company by the Shareholders via Postal ballot dated 08th May, 2023 for a period of five years i.e., to hold office till the conclusion of 32nd Annual General Meeting i.e. up to the financial year ending March 31, 2028.

(b) <u>Statutory Auditor's Report:</u>

The Auditors, VJSJ & CO LLP, Chartered Accountants, have conducted the Statutory audit in a fair and transparent manner for the financial year 2023-24 and given their report to the Board in the Board Meeting held on 15 July 2024.

We draw attention to note 30(b) of the standalone financial statements, which describes the uncertainties related to estimation of liability of license fees and spectrum usage charges on Adjusted Gross Revenue ("AGR Liability"), including dues of Rs. 2,214 million related to AGR Liability transferred to Reliance Communications Limited ("RCOM") under scheme of arrangement, and matter of release of bank guarantees being sub-judice. Supported by the legal opinion, the Company strongly believes that the AGR liability of Rs. 2,214 million has been transferred to RCOM as part of the approved scheme of arrangement and cannot be enforced against the Company. The Company is not expecting any additional financial liability (except for those already provided for) in this matter.

We draw attention to note 30(e)(ii) of the standalone financial statements regarding the arbitration award of Rs 1,482 million of vendor outstanding as on the date of transfer of its telecom undertaking under the scheme of arrangement. The Company has challenged the award before the Hon'ble Delhi High Court. The Company, based on an independent legal opinion, believes that owing to the scheme of arrangement coming into force, all liabilities of the transferred undertaking including this claim have been transferred to/vested with RCOM by operation of the Law and no further obligation/ liability arises against the Company thereafter.

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.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the financial year under review.

(c) <u>Secretarial Auditors</u>:

Pursuant to provisions of Section 204 read with section 134(3) of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board of Directors has appointed M/s. Dwivedi & Associates (CP No. 9080)), Company Secretaries as the Secretarial Auditors of the Company to undertake Secretarial Audit of the Company for financial year ended March 31, 2024.

The Secretarial Audit Report in Form MR-3 is annexed herewith as **Annexure-DR-4.** The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

(d) Internal Auditor

Pursuant to provisions of Section 138 of the Companies Act, 2013 read with rule 13 of the Companies (Accounts) Rules, 2014, the Board of Directors has appointed in house internal audit team to undertake Internal Audit of the Company for financial year ended March 31, 2024.

17. MAINTENANCE OF COST RECORDS

Being an Information service Company, the Company is not required to maintain cost records as specified by the central government under Section 148(1) of the Act.

18. DEPOSITS

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

19. COMPLIANCE WITH SECRETARIAL STANDARDS ISSUED BY ICSI

Your Company is complying with the applicable provisions of Secretarial Standards on 'Meetings of the Board of Directors' (SS-1) and 'General Meetings' (SS-2), issued by the Institute of Company Secretaries of India ("ICSI").

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The particulars of loans given, investments made, guarantees given and securities provided, if any, covered under section 186 of the Companies Act, 2013 form part of the notes to the financial statements for the FY 2023-24.

21. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 and rules made thereunder of the Companies Act, 2013, the Board of the company shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial year. The average net profits calculated as per provisions of Section 198 of the Companies Act, 2013 for the preceding three (3) financial years being negative, and the Company has incurred losses and therefore, the provisions of Section 135 shall not be applicable to the Company and consequently, the Company was not under any obligation to spend any amount on CSR.

Your Company has the Corporate Social Responsibility Committee as required under the Companies Act, 2013. The Committee presently comprises of

1. Mr. Sergey Savchenko – Chairman Director,
2. Mrs. Neera Sharma - Whole Time Director,
3. Ms. Preeti Singh - Non-Executive Independent Director.

The 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 toolkit 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 a 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, an Annual report on CSR activity is annexed herewith as **Annexure DR-5.**

22. CORPORATE GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors, and the society at large. Your 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 the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirement) regulations, 2015 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 establishing 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 the best corporate governance practices, your company has taken the initiative 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 as **Annexure DR-6.**

23. 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 as **Annexure DR-7.**

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

The 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, 2024**	**March 31, 2023**
Revenue from sales and services	9.50	8.28
TOTAL	**9.50**	**8.28**

(Rupees in Million)

Expenditure in Foreign Currency (on accrual-basis)	**March 31, 2024**	**March 31, 2023**
Other Services	0.26	0.17
TOTAL	**0.26**	**0.17**

25. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) and 134(5) of the Companies Act, 2013:

(a) in the preparation of the annual accounts, the applicable accounting standards were 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.

26. ACKNOWLEDGEMENT

Your directors place on the record their gratitude to Bankers, Vendors, 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 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
Sistema Smart Technologies Limited

Sd/-	**Sd/-**
Sergey Savchenko	**Neera Sharma**
Director	**Director**
DIN: 02891905	**DIN: 00975300**
Place: Gurugram	**Place: Gurugram**
Date: 15th July, 2024	**Date: 15th July, 2024**

ANNEXURE-DR-1

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/ arrangements/ transactions	Duration of the contracts / arrangement / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Justification for entering into such contracts or arrangements or transactions	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 related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangement / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Amount paid as advances, if any:	Date on which the Board resolution/ Audit Committee resolution
INSITEL Services Private Limited	Interest on Loans	Apr-23 to Mar-24	Payment - As per Agreement, Taxes extra as applicable Value :INR 130 Mn	Financing	NIL	AC/24.01.2023
Sistema Asia PTE Ltd.	Finance Shared Service	Apr-23 to Mar-24	Payment - As per Agreement, Taxes extra as applicable. Value: INR 3 Mn	Revenue Enhancement	NIL	AC/24.01.2023
SACAP India Private Limited	Finance Shared Service	Apr-23 to Mar-24	Payment - As per Agreement, Taxes extra as applicable. Value: INR 5 Mn	Revenue Enhancement	NIL	AC/24.01.2023
Sistema Asia Capital Pte Ltd.	Finance Shared Service	Apr-23 to Mar-24	Payment - As per Agreement, Taxes extra as applicable, Value: INR 7 Mn	Revenue Enhancement	NIL	AC/24.01.2023

For and on behalf of the Board
Sistema Smart Technologies Limited

Sd/-
Sergey Savchenko
Director
DIN: 02891905
Place: Gurugram
Date: 15th July, 2024

Sd/-
Neera Sharma
Director
DIN: 00975300
Place: Gurugram
Date: 15th July, 2024

ANNEXURE-DR-2

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2024

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

1. REGISTRATION AND OTHER DETAILS:

CIN	U74110RJ1995PLC017779
Registration Date	20-04-1995
Name of the Company	Sistema Smart Technologies Limited
Category / Sub-Category of the Company	Company Limited by shares
Address of the Registered office and contact details	121, Doctors Colony Near DCM Ajmer Road, Jaipur-302021, Rajasthan India E-mail: cssstl@sistema.co.in Tel No: +91-141-4919958
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	KFIN TECHNOLOGIES LIMITED Reg. Office address: Selenium Tower-B", Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032, Telangana Tel No: 040-67162222 Fax No.:040-23420814 Email id: einward.ris@kfintech.com

2. 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	18%
2.	Other Information Service Activities	63999	82%

3. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the Company	CIN/GLN	Subsidiary/ Associate/ Joint Venture	% of Shares Held	Applicable Section
1.	Sistema PJSFC 13, Mokhovaya Street, Moscow -125009, Russia.	Not applicable (Foreign company)	Holding Company	75.62%	2(46)
2.	Sistema Internet Services Limited Flat no. 714, New Delhi House, Barakhamba Road, New Delhi-110001, India	U74999DL2000PLC105625	Wholly owned Subsidiary	100%	2(87) (ii)

4. 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-2023]				No. of Shares held at the end of the year [As on 31-March-2024]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(IIII)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)
A. PROMOTER AND PROMOTER GROUP									
(1) INDIAN									
Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total A (1) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
(2) FOREIGN									
Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corporate	1810289400	0	1810289400	75.62	1810289400	0	1810289400	75.62	0.00
Institutions	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Others	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total A(2) :	**1810289400**	**0**	**1810289400**	**75.62**	**1810289400**	**0**	**1810289400**	**75.62**	**0.00**
Total A=A(1) +A(2)	**1810289400**	**0**	**1810289400**	**75.62**	**1810289400**	**0**	**1810289400**	**75.62**	**0.00**
(B) PUBLIC SHAREHOLDING									
(1) INSTITUTIONS									
Mutual Funds /UTI	0	23026	23026	0.00	0	23026	23026	0.00	0.00
Financial Institutions /Banks	27829	0	27829	0.00	27829	0	27829	0.00	0.00
Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Institutional Investors	3795	7	3802	0.00	3795	7	3802	0.00	0.00
Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Others	547312918	0	547312918	22.86%	547312918	0	0	22.86%	0.00
Sub-Total B(1) :	**547344542**	**23033**	**547367575**	**22.86%**	**547344542**	**23033**	**547367575**	**22.86%**	**547344542**
(2) NON-INSTITUTIONS									
Bodies Corporate	2823471	794	2824265	0.12	2679112	794	2679906	0.11	-0.01
Individuals									
(i) Individuals holding nominal share capital upto Rs.1 lakh	17027735	974837	18002572	0.75	17000216	972773	17972989	0.75	0.00
(ii) Individuals holding nominal share capital in excess of Rs.1 lakh	15202057	156219	15358276	0.64	15364441	156219	15520660	0.65	0.01
Others									
CLEARING MEMBERS	10798	0	10798	0.00	10798	0	10798	0.00	0.00
FOREIGN BANKS	794	0	794	0.00	794	0	794	0.00	0.00
NON-RESIDENT INDIANS	193100	0	193100	0.01	191274	0	191274	0.01	0.00
NRI NON-REPATRIATION	10441	0	10441	0.00	23825	0	23825	0.00	0.00
OVERSEAS CORPORATE BODIES	4764	0	4764	0.00	4764	0	4764	0.00	0.00
TRUSTS	3970	0	3970	0.00	3970	0	3970	0.00	0.00
Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total B (2) :	**35277130**	**1131850**	**36408980**	**1.52%**	**35279194**	**1129786**	**36408980**	**1.52%**	**0.00**
Total B= B(1) +B(2) :	**582621672**	**1154883**	**583776555**	**24.38%**	**582623736**	**1152819**	**583776555**	**24.38%**	**0.00**
Total (A+B):	**2392911072**	**1154883**	**2394065955**	**100.00**	**2392913136**	**1152819**	**2394065955**	**100.00**	**0.00**
Shares held by custodians, against which									
Depository Receipts have been issued									
Promoter and Promoter Group									
Public	0	0	0	0.00	0	0	0	0.00	0.00
GRAND TOTAL (A+B+C) :	**2392911072**	**1154883**	**2394065955**	**100.00**	**2392913136**	**1152819**	**2394065955**	**100.00**	**0**

5. SHAREHOLDING OF PROMOTERS (Equity Share Capital)

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	PJSFC Sistema	1810289400	75.62	0.00	1810289400	75.62	0.00	0.00
	Total	**1810289400**	**75.62**	**0.00**	**1810289400**	**75.62**	**0.00**	**0.00**

6. CHANGE IN PROMOTERS' SHAREHOLDING-Equity share Capital (please specify, if there is no change)

Sr. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	1810289400	75.62	1810289400	75.62
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0	0	0	0
3	At the end of the year	1810289400	75.62	1810289400	75.62

7. Shareholding Pattern (Equity Share Capital) of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year (as on 31st March,2023)		Cumulative shareholding during the year 2023 (as on 31st March,2024)	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	RUSSIAN FEDERATION	547312918	22.86%	547312918	22.86%
2	ANIL JINDAL	1219980	0.05%	1219980	0.05%
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	SUSHIL KUMAR GUPTA	422500	0.02%	422500	0.02%
7	NARENDER KUMAR ARORA	329851	0.01%	329851	0.01%
8	DHANPATI DEVI	262528	0.01%	262528	0.01%
9	VIJAY GUPTA	260227	0.01%	260227	0.01%
10	ASHISH PAUL	238200	0.01%	238200	0.01%

8. *Shareholding Pattern (Equity Share Capital) of Directors and Key Managerial Personnel:*

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year 2023		Cumulative Shareholding during the Year 2024	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Vinay Mittal, CFO	101	0.00	101	0.00
2	Mrs. Neera Sharma, CEO & Whole Time Director	1	0.00	1	0.00

9. INDEBTEDNESS

Indebtedness of the company including interest outsourcing/ accrued but not due for payment:

Amount in Rs.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	1,18,10,45,78,658	-	1,18,10,45,78,658
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**1,18,10,45,78,658**	**-**	**1,18,10,45,78,658**
Change in Indebtedness during the financial year				
• Addition	-	18,66,56,32,885	-	18,66,56,32,885
• Reduction	-	-	-	-
Net Change	**-**	**18,66,56,32,885**	**-**	**18,66,56,32,885**
Indebtedness at the end of the financial year				
i) Principal Amount	-	1,36,77,02,11,543	-	1,36,77,02,11,543
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**1,36,77,02,11,543**	**-**	**1,36,77,02,11,543**

10. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Remuneration of Managing Director, Whole-time Directors and / or Manager:

Sl. No.	Remuneration	Mrs. Neera Sharma
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) 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	2,01,53,919
2.	Stock Option	
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify…	
5.	Others, please specify	
	Total (A)	**2,01,53,919**

b. Remuneration to other Directors-

Particulars			Total Directors
	Mr. Vikram Kaushik	Ms. Preeti Singh	
Independent Directors - Fee for attending board committee meetings - Commission. - Others, please specify	9,50,000	9,00,000	18,50,000
Total (1)	**9,50,000**	**9,00,000**	**18,50,000**
Other Non-Executive Directors			
- Fee for attending board committee meetings			
- Commission			
Total (2)			
Total (B)= (1+2)	**9,50,000**	**9,00,000**	**18,50,000**
Overall Ceiling as per the Act	Not Applicable	Not Applicable	Not Applicable

***Mr. Vikram Girish Kaushik has resigned as Independent Director w.e.f 15th July, 2024**

c. Remuneration to Key Managerial Personnel (KMP) Other than MD/Manager/WTD of the Company-

Sl. No.	Particulars of Remuneration		Mr.Vinay Mittal (CFO)	Ms. Ruchika Pareek (CS)	Total Amount
1.	Gross salary				
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	1,27,50,851	13,99,158	1,41,50,009
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400		32,400
	(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)		**1,27,83,251**	**13,99,158**	**1,41,82,409**

* Ms. Ruchika Pareek resigned from the company w.e.f 8th July, 2024 as company secretary.

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
Sistema Smart Technologies Limited

Sd/-
Sergey Savchenko
Director
DIN: 02891905

Place: Gurugram
Date: 15th July, 2024

Sd/-
Neera Sharma
Director
DIN: 00975300

Place: Gurugram
Date: 15th July, 2024

ANNEXURE-DR-4

SECRETARIAL AUDIT REPORT

For the financial year ended on 31st March, 2024

[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 for evaluating 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, 2024 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 2024, 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.

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

In term of minutes, all the decisions has been carried unanimously. The members of the Board have not expressed dissenting views on any of the agenda items during the Financial Year Under review.

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.

We further report that no specific events/actions having major bearing on the Company's affairs in pursuance of the above referred laws, guidelines standards, etc referred to above has occurred in the Company other than mentioned below:

For DWIVEDI& ASSOCIATES
COMPANY SECRETARIES

SD/-
CS AWANISH K. DWIVEDI
FCS- 8055, CP No.- 9080
UDIN : F008055F000706885

Place: New Delhi
Date: 10.07.2024

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 OF SECRETARIAL REPORT

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

SD/-
CS AWANISH K. DWIVEDI
FCS- 8055, CP No.- 9080
UDIN : F008055F000706885

Place: New Delhi
Date: 10.07.2024

ANNEXURE-DR-5

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.	Not Applicable as Company does not have profits during immediately preceding 3 financial years.
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

Sr. 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 up to the reporting period	Amount spent. : Direct or through implementing agency
	Not Applicable						

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

For and on behalf of the Board
Sistema Smart Technologies Limited

Sd/-
Sergey Savchenko
Director
DIN: 02891905

Place: Gurugram
Date: 15th July, 2024

Sd/-
Neera Sharma
Director
DIN: 00975300

Place: Gurugram
Date: 15th July, 2024

Annexure-DR-6

CORPORATE GOVERNANCE REPORT

YOUR DIRECTORS PRESENT THE COMPANY'S REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2024

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is a set of practices followed to ensure that the affairs of the Company are managed in a way which would ensure its accountability, transparency, and fairness in all its transactions and meet its stakeholders' aspirations and social expectations. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last.

The Company believes in the highest standards of good and ethical corporate governance practices. Good corporate governance practices stem from the culture and mindset of the organization. It is also believed that corporate governance is not only about enacting regulations and procedures and complying with those but also maintaining and establishing an environment of trust and confidence among various stakeholders. Corporate governance is a journey for constantly improving sustainable value creation and is an upward moving target.

BOARD OF DIRECTORS

a) Composition

The Company recognizes and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will leverage differences in thought, perspective, regional and industry experience, cultural and geographical background, age, ethnicity, race, gender, knowledge, skills, and other domains, which will ensure that SSTL retains its competitive advantage. The Board of SSTL is managed through an optimum mix of Executive, Non-Executive, and Independent Directors in conformance with the best standards and practices.

The Board's composition, nature of directorship & attendance of the Directors at last Annual General Meeting along with the details of their directorships in other companies during the financial year 2023-24 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	14.09.2018	Yes	0
Mr. Vikram Kaushik	Independent Director	13.07.2011	Yes	0
Ms. Preeti Singh	Independent Director	20.04.2022	Yes	3
Mrs. Neera Sharma	Whole-Time Director	01.11.2017	Yes	7

b) Board Meetings and Attendance

During the financial year ended March 31, 2024, the Board of Directors met Four 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.

The Company Secretary in consultation with the Chairperson and the Chief Executive Officer prepares a detailed agenda for the meetings. The Board papers comprising the agenda and other explanatory notes are circulated to the Directors in advance. The members of the Board have complete access to all information of the Company and are free to recommend inclusion of any matter in the agenda for discussion.

Dates on which the Board Meeting(s) and the details of attendance of each Director at the Board Meetings held during the financial year 2023-24 are as under:

Sr. No.	Date of Board Meeting / Name of Director	11th May, 2023	14th July, 2023	17th October, 2023	23rd January, 2024
1	Mr. Sergey Savchenko	✓	✓	✓	✓
2.	Mr. Vikram Kaushik	✓	✓	✓	✓
3.	Mrs. Neera Sharma	✓	✓	✓	✓
4.	Ms. Preeti Singh	✓	✓	✓	✓

** Mr. Vikram Kaushik resigned from directorship of the company with effect from 15th July,2024*

1. A statement on declaration given by Independent Directors under Section 149:

Mr. Vikram Kaushik and Ms. Preeti Singh, Independent Directors of the Company have confirmed that they comply with the requirements specified under Section 149 of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014, for being Independent, Non- Executive Directors of the Company.

2. A statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors of the Company:

Based on the declaration(s) received by the Independent Directors, the Board is of the opinion that Independent Directors have integrity, expertise, experience and proficiency (to the extent applicable) as prescribed under the provisions of the Act and the rules made thereunder.

Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.

c) Appointment and Cessation during the Financial Year

During the review period, the composition of the Board of Directors remained same.

d) Information availability to the Board

The Company provides all the information in advance related to businesses at each meeting to all the members of the 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 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 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 on request from time to time.

e) 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 based on priority and importance. Planning also provides 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.

f) 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.

COMMITTEES OF THE BOARD

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.

The 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 an annual basis and imparts necessary directions for improving the performance of the Committees.

(a) Audit Committee

Audit Committee plays an important role in the Company's financial integrity. The Audit Committee was comprised of the following Board Members till 31st March, 2024:

1. Mr. Sergey Savchenko, Chairperson
2. Ms. Preeti Singh, Member
3. Mr. Vikram Kaushik, Member*

*Mr. Vikram Kaushik resigned from directorship of the company with effect from 15th July,2024With effect from 15th July, 2024, the Audit committee was reconstituted with the following composition:

1. Mr. Sergey Savchenko, Chairperson
2. Ms. Preeti Singh, Member
3. Mr. Suman Sehgal

Ms. Ruchika Pareek, the Company Secretary of the Company, was the Secretary of the Committee who later resigned from the company w.e.f. 8th July, 2024.

Key responsibilities of the Audit Committee

The Audit Committee Meetings and attendance:

Sr. No.	Date of Meeting / Name of Member	11th May, 2023	14th July, 2023	17th October, 2023	23rd January, 2024
1	Mr. Vikram Kaushik	✓	✓	✓	✓
2.	Mr. Sergey Savchenko	✓	✓	✓	✓
3.	Ms. Preeti Singh	✓	✓	✓	✓

KEY RESPONSIBILITIES OF THE AUDIT COMMITTEE

In Audit 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.

The key areas of Audit committee are as mentioned below:

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

(b) Nomination and Remuneration Committee

In terms of the provisions of Section 178(3) of the Companies Act, 2013 ("the Act"), the Nomination and Remuneration Committee ("NRC") is responsible for formulating the criteria for determining qualifications, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel (KMP) and other employees.

The Committee shall identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee (NRC) or by an independent external agency and review its implementation and compliance.

The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

The Nomination and Remuneration Committee was comprised of the following Board Members till 31st March, 2024

1. Mr. Vikram Kaushik, Chairperson*
2. Mr. Sergey Savchenko, Member
3. Ms. Preeti Singh, Member

With effect from 15th July, 2024, the Nomination and Remuneration Committee was reconstituted with the following composition:

1. Ms. Preeti Singh, Chairperson
2. Mr. Sergey Savchenko, Member
3. Mr. Suman Sehgal, Member

*Mr. Vikram Kaushik resigned from directorship of the company with effect from 15th July,2024

Ms. Ruchika Pareek, the Company Secretary of the Company, was the coordinator of the Committee who later resigned from the company w.e.f. 08th July, 2024.

The Nomination and Remuneration Meetings and attendance:

Sr. No.	Date of Meeting / Name of Member	14th July, 2023	23rd January, 2024
1	Mr. Vikram Kaushik	✓	✓
2.	Mr. Sergey Savchenko	✓	✓
3.	Ms. Preeti Singh	✓	✓

KEY RESPONSIBILITIES OF NOMINATION & REMUNERATION COMMITTEE

a) To shortlist and select nominees on the Board and to recommend their names to the Board of Directors for appointment, re-appointment.

b) To formulate the criteria for determining qualifications, positive attributes, and independence of directors.

c) 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.

d) 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.

e) 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").

(c) <u>Corporate Conduct & Ethics Committee</u>

In order to develop an effective corporate conduct system and ethics standards which correspond with internationally recognized standards, the Company constituted a Corporate Conduct & Ethics Committee ("CCE") on October 18, 2011 with following composition.

1. Mr. Sergey Savchenko, Chairperson
2. Mr. Vikram Kaushik, Member*
3. Ms. Preeti Singh, Member
4. Mrs. Neera Sharma, Member

With effect from 15th July, 2024, the Corporate Conduct & Ethics Committee was reconstituted with the following composition:

1. Mr. Sergey Savchenko, Chairperson
2. Mrs. Neera Sharma, Member
3. Ms. Preeti Singh, Member

*Mr. Vikram Kaushik resigned from directorship of the company with effect from 15th July,2024

Ms. Ruchika Pareek, the Company Secretary of the Company, was the coordinator of the Committee who later resigned from the company w.e.f. 08th July, 2024.

The Corporate Conduct & Ethics Committee Meetings and attendance are mentioned below:

Sr. No.	Date of Meeting / Name of Member	11th May, 2023
1.	Mr. Sergey Savchenko	✓
2	Mr. Vikram Kaushik*	✓
3	Mrs. Neera Sharma	✓
4	Ms. Preeti Singh	✓

** Mr. Vikram Kaushik resigned from directorship of the company with effect from 15th July, 2024.*

(d) 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 at regular intervals to consider matters pertaining to share transfer and investors' grievances.

The Stakeholders' Relationship and Share Transfer Committee was comprised of the following Board Members till 01st April, 2024:

1. Mr. Vikram Kaushik, Chairperson*
2. Mr. Sergey Savchenko, Member
3. Ms. Preeti Singh, Member

With effect from 15th July, 2024, the Stakeholders' Relationship and Share Transfer committee was reconstituted with the following composition:

1. Mr. Sergey Savchenko, Chairperson
2. Ms. Preeti Singh, Member
3. Mrs. Neera Sharma, Member

*Mr. Vikram Kaushik resigned from directorship of the company with effect from 15th July,2024

Ms. Ruchika Pareek, the Company Secretary of the Company, was the coordinator of the Committee who later resigned from the company w.e.f. 08th July, 2024.

The Stakeholders' Relationship and Share Transfer committee Meetings and attendance are mentioned below:

Sr. No.	Date of Meeting	23rd January, 2024
	Name of Member	
1.	Mr. Sergey Savchenko	✓
2	Mr. Vikram Kaushik	✓
3	Ms. Preeti Singh	✓

(e) 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 Corporate Social Responsibility Committee was comprised of the following Board Members till 01st April, 2024:

1. Mr. Sergey Savchenko, Chairperson
2. Mr. Vikram Kaushik, Member
3. Ms. Preeti Singh, Member

With effect from 15th July, 2024, the Corporate Social Responsibility committee was reconstituted with the following composition:

1. Mr. Sergey Savchenko, Chairperson
2. Mrs. Neera Sharma
3. Ms. Preeti Singh, Member

*Mr. Vikram Kaushik resigned from directorship of the company with effect from 15th July,2024

Ms. Ruchika Pareek, the Company Secretary of the Company, was the coordinator of the Committee who later resigned from the company w.e.f. 08th July, 2024.

The Corporate Social Responsibility Committee Meetings and attendance are mentioned below:

Sr. No.	Date of Meeting	11th May, 2023
	Name of Member	
1	Mr. Sergey Savchenko	✓
2.	Mr. Vikram Kaushik	✓
3.	Ms. Preeti Singh	✓

(f) Borrowing & Investment Committee

In order to smooth the functioning of the Board the Board related to Borrowing and Investment decision of the company, the Board has constituted the Borrowing and Investment committee.

The Borrowing and Investment Committee was comprised of the following Board Members till 01st April, 2023:

1. Mr. Sergey Savchenko, Chairperson
2. Mrs. Neera Sharma, Member
3. Mr. Vikram Kaushik, Member*

With effect from 15th July, 2024, the Borrowing and Investment committee was reconstituted with the following composition:

1. Mr. Sergey Savchenko, Chairperson
2. Mrs. Neera Sharma, Member
3. Ms. Preeti Singh

*Mr. Vikram Kaushik resigned from directorship of the company with effect from 15th July,2024

Ms. Ruchika Pareek, the Company Secretary of the Company, was the coordinator of the Committee who later resigned from the company w.e.f. 08th July, 2024. The Borrowing and Investment Committee Meetings and attendance are mentioned below:

Sr. No.	Date of Meeting	17th October, 2023
	Name of Member	
1	Mr. Sergey Savchenko	✓
2.	Mrs. Neera Sharma	✓
3.	Mr. Vikram Kaushik	✓

REMUNERATION TO DIRECTORS

The Company is not making any payment to the Non-Executive Directors as remuneration except a sitting fee i.e. Rs.1,00,000/ - for attending each meeting of the 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 2023-24 was Rs. 20.15 million in accordance with the approval of shareholders of the Company.

Performance criteria for Executive Directors, entitled to 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 2024. In the event the services of Mrs. Neera Sharma are terminated by the Company involuntarily before the end of the term, she shall be paid one-time compensation equal to one months' fixed salary and PLI on a pro rata basis for the completed period.

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, 2024, is appended as **Annexure -CGR-1** 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.

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 the 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 an 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 transactions with related parties are on an 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 kinds of procurements are also equally applied to related party transactions.

c) Code of Conduct

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, 2024, by furnishing a certificate to this effect. A declaration to this effect signed by Mrs. Neera Sharma, Whole Time Director and designated as 'Chief Executive Officer' of the Company is forming a part of this report as **Annexure – CGR-2**.

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 pro visions 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 the Board of Directors, Key Managerial Personnel and other employees in general. The remuneration Policy of the Company is enclosed herewith **Annexure -CGR-3**.

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.

RISK MANAGEMENT

The Company has devised a formal Risk Management framework for risk assessment, prioritization and minimization. Further, the Company assesses the risk management framework periodically. The scope of the Audit Committee includes a review of the Company's financial and risk management framework. The risk management report was periodically placed before the Audit Committee.

TRAINING OF BOARD MEMBERS

The Company believes that the Board must be continuously empowered with knowledge of the latest developments in the Company's business and the external environment affecting the industry. 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.

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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("the POSH Act"), notified in December 2013 requires an organization employing 10 or more persons to constitute an Internal Committee ("IC") for hearing complaints of sexual harassment and to include in its annual report the number of cases filed with the IC and disposed under the POSH Act in the previous financial year.

In line with the POSH Act, an Internal Committee has been constituted to investigate/ redress grievances relating to sexual harassment.

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.

Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The following is a summary of sexual harassment issues raised, attended and dispensed during FY 2023-24:

No. of complaints received: Nil.

No. of complaints pending for disposed of: Nil.

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 other stakeholders etc.

b). General Meetings and Shareholders Resolutions

- **Annual General Meetings**

The details of last three Annual General meeting are:

Year	Date & Time	Venue	Special Business Item Resolution Passed
2020-2021	13.09.2021	Through Video Conferencing	Approval for excess payment of Performance Inked Incentive ("PLI") to Mrs. Neera Sharma (DIN: 00975300), Whole Time Director designated as CEO of the Company.
2021-2022	27.09.2022	Through Video Conferencing	Regularization of Appointment of Ms. Preeti Singh as Independent Director. Re-Appointment of Mrs. Neera Sharma (DIN: 00975300) as CEO (Whole Time Director) and approving the financial terms of appointment.
2022-2023	15.09.2023	Through Video Conferencing	Approval for excess payment of Performance Inked Incentive ("PLI") to Mrs. Neera Sharma (DIN: 00975300), Whole Time Director designated as CEO of the Company.

- **Extraordinary General Meetings**

No extraordinary general meeting of the Members was held during the year under review.

c) Financial Year:

The Company follows the April to March Financial Year.

Distribution of Shareholding and Others

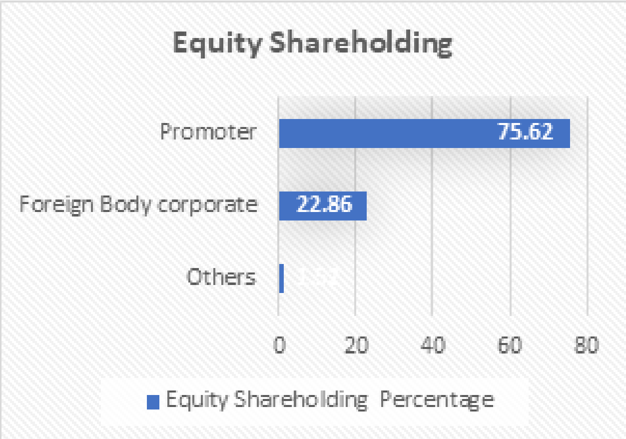
As on March 31, 2024, the total Share Capital of the Company is consisting of:

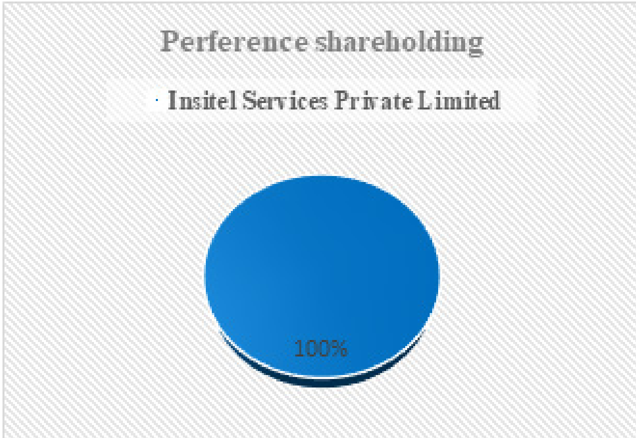
- **Equity share capital:**

Equity share	Authorized capital	Issued Capital	Subscribed Capital	Paid up share capital
Number of Equity share	19,000,000,000	2,394,065,955	2,394,065,955	2,394,065,955
Nominal Value of per share (in Rupees)	10	10	10	10
Total amount of equity shares (in rupees)	190,000,000,000	23,940,659,550	23,940,659,550	23,940,659,550

- **Preference share capital**

0.01% Non-Convertible Non-Cumulative Fully Redeemable Preference Shares	Authorized capital	Issued Capital	Subscribed Capital	Paid up share capital
Number of shares	6,000,000,000	14,169,400	14,169,400	14,169,400
Nominal Value of per share (in Rupees)	10	10	10	10
Total amount of equity shares (in rupees)	60,000,000,000	141,694,000	141,694,000	141,694,000





The broad shareholding distribution of the Company as on March 31, 2024, with respect to categories of investors was as follows:

CLASS OF EQUITY SHAREHOLDER	NO. OF SHARES	AMOUNT (Rs)	% of Holding
Sistema PJSFC, Russia **Promoters (Foreign)**	1,81,02,89,400	18,10,28,94,000	75.62
Russian Federation **Foreign Body Corporate**	54,73,12,918	5,47,31,29,180	22.86
Others	3,64,63,637	36,46,36,370	1.52
TOTAL	**2,39,40,65,955**	**23,94,06,59,550**	**100.00**
Total Indian	36250736	36,25,07,360	1.51
Total Foreign	2357815219	23,57,81,52,190	98.49

NAME OF PREFERENCE SHAREHOLDER	NO. OF SHARES	AMOUNT (in Rupees)	% of Holding
Insitel Services Private Limited	14,169,400	10	100%

- **Physical Holding vs. Holding in Dematerialized Form:**

As on 31st March 2024, 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	% of Shareholding
PHYSICAL	1117	1152819	0.05 %
DEMAT in NSDL	10293	2381527384	99.46 %
DEMAT in CDSL	4849	11383688	0.49 %
Total	**16259**	**2394065955**	**100.00 %**

- **Address for Correspondence for Share Related Matters:**

KFin Technologies Limited (Registrar & Transfer Agent)

Delhi Office:	Hyderabad Office:
KFin Technologies 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 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

- **Address for Investors Correspondence:**

Company Secretary and Compliance Officer

Corporate Office:	Registered Office :
Sistema Smart Technologies Limited	**Sistema Smart Technologies Limited**
8th Floor, Plot No. 468-469, Udyog Vihar, Phase 3, Gurugram Haryana 122015 India Email ID :cssstl@sistema.co.in Ph : 0124-4468030	121, Doctors Colony, Near DCM Ajmer Road, Jaipur 302021 Rajasthan, India Email ID: cssstl@sistema.co.in Ph : 0141-4919958

Note: The Corporate Governance Report states the facts/ figures as of March 31, 2024

ANNEXURE –CGR-I

CEO & CFO Certification

We, Neera Sharma, Chief Executive Officer, and Vinay Mittal, Chief Financial Officer of Sistema Smart Technologies Limited hereby certify that:

1. We have reviewed the Financial Statements and Cash Flow Statement for the year ended 31st March 2024 and to the best of our knowledge and belief:
    - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
    - 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 2024 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.

For Sistema Smart Technologies Limited

Sd/-	**Sd/-**
Neera Sharma	**Vinay Mittal**
Chief Executive Officer	**Chief Financial Officer**
DIN:00975300	**PAN: AAKPM6793L**

Place : Gurugram
Date: 15th July,2024

ANNEXURE –CGR-II

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") 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 2024 by submitting Annual Compliance Certificate as required in terms of the Code of Conduct adopted by the Company.

For Sistema Smart Technologies Limited

Sd/-
Neera Sharma
CEO & Whole Time Director
DIN: 00975300
Place: Gurugram
Date : 15th July 2024

ANNEXURE –CGR-3

REMUNERATION POLICY

The Remuneration Policy of Sistema Smart Technologies Limited ("SSTL") has been framed in accordance with the applicable

provisions of Section 178(3) of the Companies Act, 2013 ("the Act"), the Nomination and Remuneration Committee ("NRC") is responsible for formulating the criteria for determining qualifications, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel (KMP) and other employees.

The Remuneration Policy of the Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

The Company endeavors to attract, retain, develop and motivate a high-performance workforce.

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 the 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 arrangement, 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 a nd 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 consider ed 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 a 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 a 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 to balance the decision-making process of the Board by constructively challenging the Company's strategy and exercise due diligence.
3. Independent Directors should possess the requisite business and industry expertise in the domain in which SSTL operates.
4. Independent Directors should be competent enough to work effectively as 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 field s 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—

   i. is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:

      Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

   ii. is indebted to the company, its holding, subsidiary or associate company or their promoters, or Directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

   iii. has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or Directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or

   iv. has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);]

e. who, neither himself nor any of his relatives—

   a) 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.

   b) 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 firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary, or associate company; or
      - any legal or 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.

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

   d) 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.

ANNEXURE-DR-7

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

COMPANY OVERVIEW

SSTL is a leading provider of ICT solutions across varied industry sectors like education, health, textile, tribals, Information & Technology etc. to name a few. The company's robust solutions designing & implementation capabilities which are derived of its years long experience of running a PAN India communications network, gets translated to project executions & help these critical sectors to improve their efficiency, productivity, and overall performance. The company is a trusted partner of several Public Sector Undertakings (PSUs).

SSTL, has successfully deployed and operated campus-wide Wi-Fi networks in 13 central universities across India since last 5 years and continuing the operations on renewal of Contract for further period.

SSTL's solutions of Campus wide Wi-Fi, Smart Classrooms, LAN, WAN, Cyber Security, AR-VR educational content, Video Conferencing, CCTV surveillance, IP Telephony, Data Centre deployment, Firewall etc. cover almost the entire gamut of ICT and helping to transform these critical sectors, making them more efficient, productive, and accessible. The company's expertise and commitment to innovation make it a trusted partner for organizations looking to improve their operations.

In addition to its ICT services, SSTL also provides shared services in areas of finance, tax, risk, budgeting, legal, secretarial, and IT to its group companies based in India and Singapore. These services are delivered with the highest levels of quality and efficiency, helping the group companies to achieve their strategic goals.

During the Financial Year the company has started providing SSC Services to third Party external AIF.

DISCUSSION & ANALYSIS ON FINANCIAL STATEMENT AND OPERATIONAL PERFORMANCE

Overview

During the year ended 31st March 2024, the Company has incurred a loss of Rs. 18,613.85 million (2022-2023- Rs. 17,418.28 million).The losses have increased mainly due to finance cost (interest accrued on financial liability portion of Redeemable preference shares).

Key Financial & Operational Highlights for the financial year 2023-24

I. Financial Condition

I. Net Worth

The negative net-worth of the Company has Increase from Rs. 117,138.78 million in the previous financial year to 135,752.63 in the current financial year i.e., as of 31 March 2024. The increase in negative net-worth is mainly due to interest accrued on financial liability portion of Redeemable preference shares. The Company has earned cash profit during the current Financial Year.

2. Share Capital

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

3. Tangible Assets

The increase in tangible assets is due to net addition during the year is Rs. 0.57 million.

4. Borrowings

There is a increase in borrowings of Rs. 18,665.63 million due to interest accrued on financial liability portion of Redeemable preference shares.

II. Results of Operations

The Earning/Profit before finance and depreciation expenses ("EBITDA") of the Company during the current financial year has increased. EBITDA Profit is Rs. 77.45 million as against EBITDA (Loss) of Rs. 24.49 million in the previous year.

- **Revenues from operations**

  Revenue from operations has increased from Rs.63.75 million in the previous financial year to Rs. 101.68 Million in the current financial year i.e. 2023-24 mainly on account of the increase in revenue from the sale of goods.

- **Other Income**

  Other income has increased from Rs.111.27 million in the previous financial year to Rs. 166.94 million in the current financial year due to an increase 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. 99.04 million in the previous financial year to Rs.91.42 million (in the current financial year) on account of a decrease in employee strength.

- **PRODUCTS AND SERVICES**

  SSTL is a leading provider of managed services in the Information Communication Technology (ICT) domain. The company has forged partnerships with major OEMs in the ICT domain for offering services like Hardware & software infrastructure management, Network management, Data center management, IT consulting etc. The company is making efforts to tie up with multiple leading OEMs to roll out different levels of projects in the Government/PSUs sectors.The company extensively works on the products like Interactive Touch Panels, AR-VR Educational Content, Audio – Video equipment's, Networking Equipment like - Servers, Switches, Routers, Firewalls, NMS, IP Telephones, IP EPBX, Load Balancer, Wi-Fi equipment's like Wireless Controller, Access points, Passive equipment's like- UPS, OFC, Ethernet Cables, network racks etc.

  SSTL's shared services division provides finance, tax, risk, budgeting, legal, secretarial, and IT services to its group companies based in India and Singapore. These services are delivered with the highest levels of quality and efficiency, helping the group companies to achieve their strategic goals.

SSTL is a trusted partner for businesses of all sizes. The company's expertise in the ICT domain and its commitment to providing high-quality services make it an ideal choice for businesses looking to improve their IT infrastructure and operations.

- **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.

As a practice, Performance Linked Incentive (PLI) policy, and KPI Structure, for each position was defined for the reporting period. A compensation review exercise was carried out considering market trends and merit increments were applied for all the employees.

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.

- **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 SSTL's operations. The Company has in house internal auditor for the financial year 2023-24. 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 considers 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 get covered. 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 rapidly on 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.

Further, outcome of pending legal disputes remains a major threat area and Company is taking the steps to represent before the Court to safeguard its interests.

- **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.

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
Sistema Smart Technologies Limited

Sd/-	**Sd/-**
Sergey Savchenko	**Neera Sharma**
Director	**Director**
DIN: 02891905	**DIN: 00975300**
Place: Gurugram	**Place: Gurugram**
Date: 15th July, 2024	**Date:15th July, 2024**

INDEPENDENT AUDITOR'S REPORT

To

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 ("the Company"), which comprise the Balance Sheet as at March 31, 2024, 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 notes to the standalone financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Ìndian Accounting Standards prescribed under section 133 of the Act ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss and other comprehensive loss, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (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 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

(i) We draw attention to note 30(b) of the standalone financial statements, which describes the uncertainties related to estimation of liability of license fees and spectrum usage charges on Adjusted Gross Revenue ("AGR Liability"), including dues of Rs 2,214 million related to AGR Liability transferred to Reliance Communications Limited ("RCOM") under scheme of arrangement, and matter of release of bank guarantees being sub-judice. Supported by the legal opinion, the Company strongly believes that the AGR liability of Rs 2,214 million has been transferred to RCOM as part of the approved scheme of arrangement and cannot be enforced against the Company. The Company is not expecting any additional financial liability (except for those already provided for) in this matter.

(ii) We draw attention to note 30(e)(ii) of the standalone financial statements regarding the arbitration award of Rs 1,482 million of vendor outstanding as on the date of transfer of its telecom undertaking under the scheme of arrangement. The Company has challenged the award before the Hon'ble Delhi High Court. The Company, based on an independent legal opinion, believes that owing to the scheme of arrangement coming into force, all liabilities of the transferred undertaking including this claim have been transferred to/vested with RCOM by operation of the law and no further obligation/ liability arises against the Company thereafter.

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual 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 other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities 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 loss, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including IND AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone 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, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Board of Director'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 financial controls that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure "A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The standalone financial statements dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid standalone financial statements comply with the IND AS specified under Section 133 of the Act;
   e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 B".

3. 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 30 to the standalone financial statements.

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

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

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented that, to the best of its knowledge and belief , no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

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

vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable with effect from 1st April 2023.

Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

4. With respect to the other matters to be included in the Auditor's Report under section 197(16) of the Act:

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 current year is in accordance with the provisions of section 197 of the Act.

For VJSJ & Co LLP
Chartered Accountants
Firm Registration No. N500112

Surendra Kumar Joshi
Partner
M. No. 402589
UDIN: 24402589BKLCSX4090

Place: Gurugram
Date: 15 July 2024

Annexure "A" to the Independent Auditor's Report on the standalone financial statements of Sistema Smart Technologies Limited for the year ended March 31, 2024.

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress, assets held for sale and relevant details of right-of-use assets.

(B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the property, plant and equipment and capital work-in-progress were physically verified during the year by the Management which, in our opinion, provides for physical verification at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification..

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company as at the balance sheet date.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any inventory during the year. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limit from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirements to report on clause 3(iii) (a) to (f) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of grant of loans and making investments. The Company has not granted any loans, made investments or provide guarantees under Section 185 of the Companies Act 2013.

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

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for good sold and services provided by the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including provident fund, income-tax, sales tax, goods and service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the Company have generally been regularly deposited during the year by the Company with the appropriate authorities, According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues referred in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Sr. No.	Name of Statute	Nature of Dues	Period to which the amount pertains (FY)	Total Disputed Amount (Rs in mn)	Amount not deposited (Rs in mn)	Forum where the dispute is pending
1	Kerala Commercial Tax Act, 2003	VAT	2011-12 & 2015-16	70.36	70.12	Hon'ble High Court
2	Orissa Value Added Tax Act.	VAT	2013-2014	16.34	16.34	The Commissioner of CT & GST, Orissa
3	Finance Act, 1994 (Service tax provisions), Goods and Services Tax Act, 2017	Service Tax/GST	2008-09, 2009-10, 2010-11 & 2013-14, 2016-17, 2017-18	2,049.19	1,923.31	Custom, Excise, Service Tax Appellate Tribunal, GST Authority

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

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

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

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) According to the information and explanations given to us and procedures performed by us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiary.

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

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

(xi) (a) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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

(xii) According to the information and explanations given to us, the Company is not a Nidhi company. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

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

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

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

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) (d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year. In the immediately preceding financial year, the Company had incurred cash losses amounting to Rs 64.31 Million.

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

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

For VJSJ & Co LLP
Chartered Accountants
Firm Registration No. N500112

Surendra Kumar Joshi
Partner
M. No. 402589
UDIN: 24402589BKLCSX4090

Place: Gurugram
Date: 15 July 2024

Annexure "B" to the Independent Auditor's Report on the standalone financial statements of Sistema Smart Technologies Limited for the year ended March 31, 2024.

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

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

We have audited the internal financial controls over financial reporting of Sistema Smart Technologies Limited ("the Company") as of March 31, 2024, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial controls with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note

For VJSJ & Co LLP
Chartered Accountants
Firm Registration No. N500112

Surendra Kumar Joshi
Partner
M. No. 402589

Place: Gurugram
Date: 15 July 2024

Standalone Balance Sheet as at 31 March 2024

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

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	4.63	4.06
Capital work-in-progress	3	1.41	1.80
Right of use assets	3(a)	17.86	23.25
Financial assets			
Investment	4		
Investment in subsidiary		-	-
Other financial assets	5	2.77	2.38
Non-current tax assets (net)		0.68	2.54
Other non current assets	6	185.13	153.53
Total Non-current assets		**212.48**	**187.56**
Current Assets			
Inventories	8	-	-
Financial assets			
Trade receivables	7	85.92	32.36
Cash and cash equivalents	9	7.28	24.68
Bank balances other than above	10	1,778.72	1,811.03
Other financial assets	5	68.44	52.15
Other current assets	6	27.08	31.13
		1,967.44	**1,951.35**
Assets classified as held for sale	3 (b)	30.15	30.64
Total Current Assets		**1,997.59**	**1,981.99**
Total Assets		**2,210.07**	**2,169.55**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	23,940.66	23,940.66
Other equity	12	(1,59,693.29)	(1,41,079.44)
Total Equity		**(1,35,752.63)**	**(1,17,138.78)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	13(a)	1,36,770.21	1,18,104.58
Lease liability	13(b)	15.39	19.67
Provisions	14	11.75	10.33
Total Non-current liabilities		**1,36,797.35**	**1,18,134.58**
Current liabilities			
Financial liabilities			
Borrowings	13(a)	-	-
Lease liability	13(b)	4.28	3.60
Trade payables	15		
Total outstanding dues of micro enterprises and small enterprises		1.07	0.18
Total outstanding dues of trade payables other than micro enterprises and small enterprises		10.24	14.13
Other financial liabilities	16	6.92	6.92
Provisions	14	1,140.53	1,140.27
Other current liabilities	17	2.31	8.65
Total Current liabilities		**1,165.35**	**1,173.75**
Total Liabilities		**1,37,962.70**	**1,19,308.33**
Total Equity and Liabilities		**2,210.07**	**2,169.55**

The accompanying notes form an integral part of the standalone financial statements **1-45**

As per our report of even date
For VJSJ & Co. LLP
Chartered Accountants
Firm Registration No.: N500112

Surendra Kumar Joshi
Partner
M.No. 402589

Place : Gurugram
Date : 15 July 2024

For and on behalf of the Board of Directors of
Sistema Smart Technologies Limited

Sergey Savchenko
Director
DIN - 02891905
Place : Gurugram
Date : 15 July 2024

Neera Sharma
Whole Time Director & CEO
DIN - 00975300
Place : Gurugram
Date : 15 July 2024

Vinay Mittal
Chief Financial Officer
Place : Gurugram
Date : 15 July 2024

Khushbu Pawar
Company Secretary
Place : Gurugram
Date : 15 July 2024

Standalone Statement of Profit and Loss for the year ended 31 March 2024

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

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from operations	**18**	101.68	63.75
Other income	**19**	166.94	111.27
Total income		**268.62**	**175.02**
Expenses			
Purchases of Stock -in- Trade		37.64	5.52
Changes in Inventories of Stock - in- Trade	**20**	-	0.12
Employee benefit expense	**21**	91.42	99.04
Finance cost	**22**	18,684.74	17,943.98
Depreciation and Amortisation	**3 & 3(a)**	6.43	2.80
Other expenses	**23**	62.11	94.83
Total expenses		**18,882.34**	**18,146.29**
Loss before exceptional item and tax		**(18,613.72)**	**(17,971.27)**
Exceptional item (net)	**34**	-	(553.45)
Loss before tax		**(18,613.72)**	**(17,417.82)**
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Loss for the year		**(18,613.72)**	**(17,417.82)**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurement gains/(losses) on defined benefit plans	**12**	(0.13)	(0.46)
Income tax relating to above		-	-
Total other comprehensive income, net of tax		**(0.13)**	**(0.46)**
Total Comprehensive loss for the year.		**(18,613.85)**	**(17,418.28)**
Earnings per equity share (nominal value of Rs. 10 each)	**24**		
(1) Basic		(7.77)	(7.28)
(2) Diluted		(7.77)	(7.28)

The accompanying notes form an integral part of the standalone financial statements **1-45**

As per our report of even date

For VJSJ & Co. LLP
Chartered Accountants
Firm Registration No.: N500112

Surendra Kumar Joshi
Partner
M.No. 402589

Place : Gurugram
Date : 15 July 2024

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Company Secretary
Place : Gurugram
Date : 15 July 2024

Standalone Statement of Cash Flows for the year ended 31 March 2024

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash flows from operating activities:		
Net Loss before tax	(18,613.72)	(17,417.82)
	(18,613.72)	(17,417.82)
Adjustments for:		
Depreciation and Amortisation	6.43	2.80
Interest income	(128.44)	(96.29)
Finance costs	18,667.75	17,907.09
Allowances for credit losses	0.90	7.99
Liabilities/ provision no longer required written back	(12.92)	(553.45)
Unrealised foreign exchange (gain)/ loss, net	0.02	0.04
Gain on disposal of property, plant and equipment, assets held for sale and right of use assets	(20.06)	(9.80)
Operating cash flow before movements in working capital	**(100.04)**	**(159.44)**
Movement in working capital :		
- (Increase)/decrease in inventories	-	0.12
- (Increase)/decrease in trade receivables	(45.57)	38.05
- (Increase)/decrease in other receivables (current- non current)	(18.81)	1.97
- Increase/(decrease) in trade payables and financial liabilities	1.92	(9.62)
- Increase/(decrease) in other liabilities (current- non current)	(6.47)	3.57
- Increase/(decrease) in provisions	1.69	(1.21)
Cash generated from/(used in) operations	**(167.28)**	**(126.56)**
Income taxes refund (net)	1.86	61.67
Net cash flow used in operating activities	**(165.42)**	**(64.89)**
B. Cash flows from investing activities:		
Purchases of property, plant and equipment	(2.58)	(4.52)
Proceeds from disposal of property plant and equipment	1.00	1.21
Proceeds from disposal of assets held for sale	17.20	7.12
Proceeds from disposal of right of use assets	3.70	2.80
Investments in/Proceeds from maturity of bank balances not considered as cash and cash equivalents	(5.57)	(0.59)
Interest received	102.12	66.41
(Increase)/Decrease in margin money deposit	37.87	(475.02)
Net cash flow from/(used in) investing activities	**153.74**	**(402.59)**
C. Cash flows from financing activities:		
Repayment of lease liability	(3.60)	(1.09)
Proceeds from current borrowings	-	118.00
Repayments of current borrowings	-	(118.00)
Interest and other finance charges paid	(2.12)	(2.93)
Net cash flow used in financing activities	**(5.72)**	**(4.02)**
Net increase in cash and cash equivalents during the year	**(17.40)**	**(471.50)**
Add : Cash and cash equivalents as at the beginning of the year	24.68	496.18
Cash and cash equivalents as at the end of the year (refer note 9)	**7.28**	**24.68**

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
The cash flow statement has been prepared under the indirect method as set out in Ind AS-7 on statement of cash flows as notified under Section 133 of the Companies Act, 2013			
Components of cash & cash equivalents as at end of the year			
- Cash on Hand		-	-
- Bank Balance		7.28	24.68
- Cash & Cash equivalents		**7.28**	**24.68**
The accompanying notes form an integral part of the standalone financial statements	1-45		

As per our report of even date

For VJSJ & Co. LLP
Chartered Accountants
Firm Registration No.: N500112

Surendra Kumar Joshi
Partner
M.No. 402589

Place : Gurugram
Date : 15 July 2024

For and on behalf of the Board of Directors of
Sistema Smart Technologies Limited

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Director
DIN - 02891905
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Date : 15 July 2024

Vinay Mittal
Chief Financial Officer
Place : Gurugram
Date : 15 July 2024

Khushbu Pawar
Company Secretary
Place : Gurugram
Date : 15 July 2024

Standalone Statement of Changes in Equity for the year ended 31 March 2024

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

A. Equity Share Capital

1) Current year as at 31 March 2024

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
23,940.66	-	23,940.66

2) Previous year as at 31 March 2023

Balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
23,940.66	-	23,940.66

B. Other equity

1) Current year as at 31 March 2024

Particulars	Equity component of Redeemable Preference Shares	Equity share capital			Total equity
		Capital reserve	Investment revaluation reserve	Retained earnings	
Balance at the beginning of the current reporting period	1,81,051.61	6,803.97	(34.11)	(3,28,900.91)	(1,41,079.44)
Loss for the year	-	-	-	(18,613.72)	(18,613.72)
Other comprehensive income				(0.13)	(0.13)
Total Comprehensive Income for the current year	**-**	**-**	**-**	**(18,613.85)**	**(18,613.85)**
Amendment in Redemption terms (refer note 13(a)(i))	-	-	-	-	-
Balance at the end of the current reporting period	**1,81,051.61**	**6,803.97**	**(34.11)**	**(3,47,514.76)**	**(1,59,693.29)**

2) Previous year as at 31 March 2023

Particulars	Equity component of Redeemable Preference Shares	Equity share capital			Total equity
		Capital reserve	Investment revaluation reserve	Retained earnings	
Balance at the beginning of the previous reporting period	60,379.32	6,803.97	(34.11)	(3,11,482.63)	(2,44,333.45)
Loss for the year	-	-	-	(17,417.82)	(17,417.82)
Other comprehensive income				(0.46)	(0.46)
Total Comprehensive Income for the previous period	**-**	**-**	**-**	**(17,418.28)**	**(17,418.28)**
Amendment in Redemption terms (refer note 13(a)(i))	1,20,672.29	-	-	-	1,20,672.29
Balance at the end of the previous reporting period	**1,81,051.61**	**6,803.97**	**(34.11)**	**(3,28,900.91)**	**(1,41,079.44)**

The accompanying notes form an integral part of the standalone financial statements 1-45

As per our report of even date

For VJSJ & Co. LLP
Chartered Accountants
Firm Registration No.: N500112

Surendra Kumar Joshi
Partner
M.No. 402589

Place : Gurugram
Date : 15 July 2024

For and on behalf of the Board of Directors of
Sistema Smart Technologies Limited

Sergey Savchenko
Director
DIN - 02891905
Place : Gurugram
Date : 15 July 2024

Neera Sharma
Whole Time Director & CEO
DIN - 00975300
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Vinay Mittal
Chief Financial Officer
Place : Gurugram
Date : 15 July 2024

Khushbu Pawar
Company Secretary
Place : Gurugram
Date : 15 July 2024

Notes to Standalone financial statements for the year ended 31 March 2024

(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'), a public unlisted company, was incorporated on 20 April 1995, under the provisions of Indian companies Act.The company is domiciled in India with its registered office located at 121, Doctors Colony, Near DCM Ajmer Road, Jaipur – 302021 Rajasthan.

As at 31 March 2024, Sistema PJSFC ('SISTEMA') and Russian Federation hold 75.62% and 22.86% of equity shares of the Company. SISTEMA is the holding company of SSTL.

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

The standalone financial statements have been authorized for issue in accordance with the resolution of the Board of Directors dated 15 July 2024.

Scheme of Demerger

In November 2015, SISTEMA and SSTL entered into a merger agreement with Reliance Communications Limited('RCOM') pursuant to which SSTL agreed to transfer its telecommunication undertaking to RCOM on a going concern basis under a court approved scheme of arrangement pursuant to provisions of Sections 391 to 394 of the Companies Act, 1956 ("SCHEME").

The Scheme was approved by Hon'ble High Court of Rajasthan and Bombay on 30 September 2016 and 7 October 2016 respectively (Final Order). DoT vide its letter dated 20 October 2017 also gave its approval to the Company and RCOM for the transfer of the Company's telecom business including spectrum to RCOM. The Company filed the Final Order with the Registrar of Companies ('ROC') and the SCHEME became effective on 31 October 2017.

(b) During the year ended 31 March 2024, the Company has incurred a loss of Rs 18,613.72 (2023-Rs 17,417.82) (profit excluding interest expense on redeemable preference share capital ('RPS') is Rs 51.91 for the year 2024 and Rs 486.34 for the year 2023) and cash profit of Rs. 45.42 (2023- cash loss of Rs 64.31). The accumulated losses of the Company as on 31 March 2024 is Rs 347,514.76 (2023- Rs 328,900.91) and the Company has a negative net worth of Rs. 135,752.63 (2023 – Rs 117,138.78) after adjusting accumulated losses.

The Company is expanding its business of managed services and sale of equipment and participating in system integration projects for various organization. The company is expecting new business in future.

Further, as indicated in note 13(a)(i), during the previous year the Company has entered into an agreement for revision in the terms., As per the revised terms of the agreement, the parties have mutually decided to extend the redemption period by 5 years (currently from 10 years to 15 years) without any redemption premium for extended period. 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 (up to 20 years). The RPS holder, being a fellow subsidiary, has agreed that it will not initiate liquidation of SSTL for recovery of amount due on redemption of RPS.

Considering the Company's business projection for next year, liquidity position of the Company to settle the liabilities, these financials have been prepared using the going concern assumption.

2) Basis of preparation and material accounting policies

2.1) Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian accounting standards ('Ind AS') read with Companies (Indian Accounting Standards) Rules, prescribed under Section 133 of the Companies Act, 2013, (the Act), as amended, and other relevant provisions of the Act.

2.2) Basis of preparation

The financial statements are prepared on historical cost basis, except for certain financial assets and liabilities that are measured at fair value, and defined benefit plans. 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, regardless of whether that price is directly observable or estimated using another valuation technique.

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 amounts unless stated otherwise.

Notes to Standalone financial statements for the year ended 31 March 2024

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

2.3) Summary of material 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 in accordance with Schedule III, Division II of Companies Act, 2013 notified by the Ministry of Corporate Affairs.

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.

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) Functional Currency

The Company's financial statements are presented in INR, which is also the Company's functional currency and all amounts are rounded to the nearest million, except as stated and presentation otherwise

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.

Notes to Standalone financial statements for the year ended 31 March 2024

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

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

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 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.

Service revenues

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

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.

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

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.

Notes to Standalone financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

(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.

Refer to note 25 regarding provision and significant accounting judgements, estimates & assumptions for further information about the recorded assets.

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

PPE, other than land, are depreciated on a pro-rata basis on straight line method (SLM) using the rates arrived based on the useful lives of assets, which represents the period over which management expects to use these assets, as follows

Asset Category	Management Estimated Useful Life (In Years)	Useful Life as per Schedule II(In Years)
Freehold land is not depreciated		
Plant and equipment	3 to 6	3 to 6
Computers	3	3
Furniture and fixtures	6	10
Office equipment	5	5
Vehicles	5	6

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 plant and equipment, furniture and fixtures and vehicles, in which 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.

Notes to Standalone financial statements for the year ended 31 March 2024

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

(g) Assets Held for Sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use.

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, except if the delay is caused by event or circumstances beyond the Company's control.

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. A gain or loss of the non-current assets is recognised at the date of de-recognition.

(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, 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

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 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 elect not to apply the requirements of Ind AS 116 to short term leases and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised 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.

Notes to Standalone financial statements for the year ended 31 March 2024

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

(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, contingent liability, and contingent assets

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.

Provision for 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.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent Assets

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

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

(l) Retirement and other employee benefits

(a) 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.

(b) Post employment obligations

Defined contribution plans

Provident fund

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.

Notes to Standalone financial statements for the year ended 31 March 2024

(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 obligations

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 on the balance sheet

(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

a) 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.

Notes to Standalone financial statements for the year ended 31 March 2024

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

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.

b) Classification of Subsequent measurement

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

(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 recognised 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 financial assets which are not fair value through profit & loss and equity instruments recognized in OCI.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Notes to Standalone financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

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.

Classification and 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.

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 recognised through the EIR recognised 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.

Substantial modification in the terms of RPS are accounted for as an extinguishment of the original financial liability and the recognition of new financial liability at fair value.

(n) 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.

Notes to Standalone financial statements for the year ended 31 March 2024

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

(o) Inventories

Inventories are valued at the lower of cost and net realisable value. The cost is calculated on First-in-First-Out (FIFO). Cost of inventory comprises all cost of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and other cost incurred in bringing the inventories to their respective present location and condition. Net realisable value is the estimated selling price less estimated cost to sale.

(p) 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.

(q) 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.

Chief operating decision maker of the company is Executive Committee of the Company, along with Board of Directors, who review the financials of the company.

(r) Investment in subsidiary

Investment in subsidiary are carried at cost/deemed cost applied on transition to Ind AS, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

Notes to Standalone financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

3) Property, plant and equipment

	Plant and equipment	Computers	Furniture and fixtures	Office equipment	Total	Capital work in progress
Cost						
At 31 March 2022	7.64	1.42	-	0.34	9.40	0.29
Additions	2.34	0.49	-	0.18	3.01	1.80
Disposals / Adjustments	-	(0.16)	-	(0.09)	(0.25)	(0.29)
At 31 March 2023	**9.98**	**1.75**	**-**	**0.43**	**12.16**	**1.80**
Additions	2.79	0.11	0.02	0.05	2.97	1.31
Disposals / Adjustments	(0.98)	(0.21)	-	-	(1.19)	(1.70)
At 31 March 2024	**11.79**	**1.65**	**0.02**	**0.48**	**13.94**	**1.41**
Accumulated Depreciation						
At 31 March 2022	(5.94)	(1.05)	-	(0.18)	(7.17)	-
Depreciation charge for the year	(0.86)	(0.26)	-	(0.06)	(1.18)	-
Eliminated on disposals of assets	-	0.16	-	0.09	0.25	-
At 31 March 2023	**(6.80)**	**(1.15)**	**-**	**(0.15)**	**(8.10)**	**-**
Depreciation charge for the year	(1.15)	(0.33)	(0.00)	(0.07)	(1.55)	-
Eliminated on disposals of assets	0.13	0.21	-	-	0.34	-
At 31 March 2024	**(7.82)**	**(1.27)**	**(0.00)**	**(0.22)**	**(9.31)**	**-**
Net Carrying Amount						
At 31 March 2023	3.18	0.60	-	0.28	4.06	1.80
At 31 March 2024	3.97	0.38	0.02	0.26	4.63	1.41

For details regarding charge on Property, Plant and Equipment refer note 13(a)(ii).

Capital work in progress ('CWIP') as at 31 March 2024 Rs 1.41 (31 March 2023 - Rs 1.80) represents Plant & Equipment.

Capital work in progress (CWIP) Ageing Schedule as on 31 March 2024.

Particulars	Amount in CWIP for the period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.31	0.10	-	-	1.41
Total Amount	**1.31**	**0.10**	**-**	**-**	**1.41**

Capital work in progress (CWIP) Ageing Schedule as on 31 March 2023.

Particulars	Amount in CWIP for the period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.80	-	-	-	1.80
Total Amount	**1.80**	**-**	**-**	**-**	**1.80**

There are no projects in CWIP, which are overdue or have exceeded its cost compared to its original plan as at 31 March 2024 and 31 March 2023.

Notes to Standalone financial statements for the year ended 31 March 2024

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

a) Right of use assets

	Leasehold land	Office Premises	Total
Cost or deemed cost			
At 1 April 2022	1.06	-	1.06
Additions	-	24.36	24.36
Eliminated on disposals of assets	(0.52)	-	(0.52)
At 1 April 2023	**0.54**	**24.36**	**24.90**
Additions	-	-	-
Eliminated on disposals of assets	(0.54)	-	(0.54)
At 31 March 2024	**-**	**24.36**	**24.36**
Accumulated Depreciation			
At 1 April 2022	0.04	-	0.04
Depreciation charge during the year	0.01	1.62	1.63
Eliminated on disposals of assets	(0.02)	-	(0.02)
At 1 April 2023	**0.03**	**1.62**	**1.65**
Depreciation charge during the year	-	4.88	4.88
Eliminated on disposals of assets	(0.03)	-	(0.03)
At 31 March 2024	**-**	**6.50**	**6.50**
Net Carrying Amount			
At 31 March 2023	0.51	22.74	23.25
At 31 March 2024	-	17.86	17.86

Lease deed of all Right of use assets are held in the name of the Company.

b) Assets classified as held for sale

In the previous financial years, the Company 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.

The title deeds of all immovable properties (other than properties where the Company is the lessee and the lease agreement are duly executed in favor of lessee) are held in the name of the Company.

4. Investments

	As at 31 March 2024	As at 31 March 2023
Investment measured at cost		
In equity shares of subsidiary company		
Unquoted, fully paid up		
Sistema Internet Services Limited (SISL)		
750,000 (2023- 750,000) equity shares of Rs 10 each	7.50	7.50
Less: Provision for impairment in value of investment	(7.50)	(7.50)
Net investment at cost	**-**	**-**
Aggregate amount of unquoted investment	7.50	7.50
Aggregate amount of impairment in value of investment	(7.50)	(7.50)

5. Other financial assets

	As at 31 March 2024	As at 31 March 2023
Non-Current		
Unsecured, considered good		
Security deposit	2.77	2.38
Total non-current Other financial assets	**2.77**	**2.38**

Notes to Standalone financial statements for the year ended 31 March 2024

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

	As at 31 March 2024	As at 31 March 2023
Current		
Unsecured, considered good		
Security deposit	4.99	2.92
Interest accrued on fixed deposits	63.45	37.13
Others Receivable	-	12.10
Total current other financial assets	**68.44**	**52.15**

6. Other assets

	As at 31 March 2024	As at 31 March 2023
Non- current		
Unsecured, considered good		
Prepaid expenses	0.72	0.96
Balances with Government authorities (other than income tax)	103.51	104.37
Advance paid under protest		
Service tax / GST	57.23	24.53
Value added tax	5.05	5.05
Income Tax	18.62	18.62
Total non- current other assests	**185.13**	**153.53**
Current		
Unsecured, considered good		
Advances for value to be received	1.75	0.04
Prepaid expenses	5.41	9.53
Balances with Government authorities (other than income tax)	19.92	21.56
Total current other assests	**27.08**	**31.13**

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

Particulars	Non-Current		Current	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Balance available -GST authority (gross)	122.08	122.94	19.92	21.56
Less: Provision	18.57	18.57	-	-
Balance available-GST authority (net)	**103.51**	**104.37**	**19.92**	**21.56**

7. Trade receivables

	As at 31 March 2024	As at 31 March 2023
Trade receivables	105.40	49.95
Less: Allowance for credit impaired	(19.48)	(19.48)
	85.92	**30.47**
Receivables from other related parties (refer note 31)	30.58	40.47
Less: Allowance for credit impaired	(30.58)	(38.58)
	-	**1.89**
Total trade receivables	**85.92**	**32.36**

	As at 31 March 2024	As at 31 March 2023
Considered good- secured	-	-
Considered good - unsecured	85.92	32.36
Credit impaired	50.06	58.06
	135.98	90.42
Less: Allowance for credit impaired	(50.06)	(58.06)
Total trade receivables	**85.92**	**32.36**

Notes to Standalone financial statements for the year ended 31 March 2024

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

Trade receivables ageing schedule as of 31 March 2024:

Particulars			Outstanding for following periods					
		Unbilled due	Less than 6 Months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i)	Undisputed Trade receivables – considered good	-	31.86	54.05	0.01	0.00	-	85.92
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	2.17	3.78	44.11	50.06
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total		**-**	**31.86**	**54.05**	**2.18**	**3.78**	**44.11**	**135.98**
Less: Allowance for credit impaired								(50.06)
Total Amount								**85.92**

Trade receivables ageing schedule as of 31 March 2023:

Particulars			Outstanding for following periods					
		Unbilled due	Less than 6 Months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i)	Undisputed Trade receivables – considered good	-	27.28	5.08	0.00	-	-	32.36
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	2.17	3.78	9.80	42.31	58.06
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total Amount		**-**	**27.28**	**7.25**	**3.78**	**9.80**	**42.31**	**90.42**
Less: Allowance for credit impaired								(58.06)
Total Amount								**32.36**

8. Inventories

(At lower of cost & net realisable value)

	As at 31 March 2024	As at 31 March 2023
Traded goods (at cost)	-	-
Total Inventories	**-**	**-**

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 2024	As at 31 March 2023
Balance with banks:		
On current accounts	7.28	0.18
Deposits with original maturity of less than three months	-	24.50
Cash on hand	-	-
Total cash and cash equivalents	**7.28**	**24.68**

Notes to Standalone financial statements for the year ended 31 March 2024

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

10. Other bank balances

	As at 31 March 2024	As at 31 March 2023
Deposits with maturity of more than three months but less than twelve months	8.46	2.90
Margin money deposits	1,770.26	1,808.13
Total other bank balances	**1,778.72**	**1,811.03**

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

11. Share Capital

a) Authorised share capital

	Equity shares		Preference shares	
	No. in millions	**Amount**	**No. in millions**	**Amount**
At 31 March 2022	19,000.00	1,90,000.00	6,000.00	60,000.00
Increase/(Decrease) during the year	-	-	-	-
At 31 March 2023	19,000.00	1,90,000.00	6,000.00	60,000.00
Increase/(Decrease) during the year	-	-	-	-
At 31 March 2024	19,000.00	1,90,000.00	6,000.00	60,000.00

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.

b) Issued and subscribed equity share capital

	No. in millions	Amount
Equity shares of Rs 10 each issued, subscribed and fully paid		
At 31 March 2022	2,394.07	23,940.66
At 31 March 2023	2,394.07	23,940.66
At 31 March 2024	2,394.07	23,940.66

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 2024	As at 31 March 2023
SISTEMA PJSFC, holding company		
1,810,289,400 [31 March 2023: 1,810,289,400] equity shares of Rs 10 each	18,102.89	18,102.89

Notes to Standalone financial statements for the year ended 31 March 2024

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

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

Name of the Shareholders	As at 31 March 2024 No. in millions	As at 31 March 2024 % holding in the class	As at 31 March 2023 No. in millions	As at 31 March 2023 % holding in the class
Equity shares of Rs 10 each, fully paid				
Sistema PJSFC, the holding company	1,810.29	75.62%	1,810.29	75.62%
Russian Federation	547.31	22.86%	547.31	22.86%

e) Details of shares held by promoters in the Company

As at 31 March 2024

Shares held by promoters at the end of the year				% Change during the year
S. No	**Promoter name**	**No. of Shares**	**% of total shares**	
1	Sistema PJSFC	1,810.29	75.62%	No
Total		**1,810.29**		

As at 31 March 2023

Shares held by promoters at the end of the year				% Change during the year
S. No	**Promoter name**	**No. of Shares**	**% of total shares**	
1	Sistema PJSFC	1,810.29	75.62%	No
Total		**1,810.29**		

12. Other equity

Particulars	As at 31 March 2022	Profit/ (loss) for the year	OCI	Amendment in Redemption terms (refer note 13(a)(i))	As at 31 March 2023	Profit/ (loss) for the year	OCI	As at 31 March 2024
Equity component of Redemable Preference Shares	60,379.32	-	-	1,20,672.29	1,81,051.61	-	-	1,81,051.61
Capital reserve	6,803.97	-	-		6,803.97	-	-	6,803.97
Retained earnings	(3,11,482.63)	(17,417.82)	(0.46)		(3,28,900.91)	(18,613.72)	(0.13)	(3,47,514.76)
Investment revaluation reserve	(34.11)	-	-		(34.11)	-	-	(34.11)
Total	**(2,44,333.45)**	**(17,417.82)**	**(0.46)**	**1,20,672.29**	**(1,41,079.44)**	**(18,613.72)**	**(0.13)**	**(1,59,693.29)**

Nature of reserves

a) **Equity component of Non-Cumulative Non-convertible Redeemable Preference Shares ('RPS')**:- As per Ind AS 109/32, 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 2024 (14,169,400 of Rs. 10 each (total issued value Rs 141.69)) are classified as financial liability as well as other equity (refer note 13(a)(i)).

Further as per Ind-AS 109/32, during the previous financial year the Company has treated amendment in RPS term as an extinguishment of existing liability and recognition of new liability at fair value. Accordingly, the remaining portion of the liability i.e. the carrying amount of the current RPS liability less fair value of new instrument amounting to Rs. Nil (2023 – Rs. 120,672.29) have been recorded as other equity contribution in the books

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) **Capital reserve**: - 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.

Notes to Standalone financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

13.(a) Borrowings

	Effective rate of interest	Maturity date	Foot note	As at 31 March 2024	As at 31 March 2023
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)"	15.71% to 16.01%	2027-2032	13(a)(i)	1,36,770.21	1,18,104.58
Total non-current borrowings	(Prior to RPS amendment - 11.84% to 14.86%)			**1,36,770.21**	**1,18,104.58**
Less: Amount clubbed under "Other current financial liabilities				-	-
Net non-current borrowings				**1,36,770.21**	**1,18,104.58**
Aggregated secured borrowings				-	-
Aggregated unsecured borrowings				1,36,770.21	1,18,104.58

i) **(i) 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**		
43.90	43,856.10	2012-13	9.77%
16.10	16,083.90	2012-13	9.63%
14.79	14,773.21	2013-14	9.63%
4.07	4,070.23	2013-14	9.80%
15.47	15,457.23	2013-14	9.87%
4.31	4,305.39	2014-15	9.87%
21.92	21,898.08	2015-16	9.95%
12.25	12,232.76	2016-17	9.89%
2.57	2,568.43	2016-17	9.87%
2.03	2,024.77	2016-17	9.76%
1.91	1,911.09	2017-18	9.76%
2.37	2,371.13	2017-18	9.65%
141.69	**1,41,552.32**		

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: Further, any variation (extension or reduction) of the redemption period of the RPS is subject to mutual agreement of both parties which shall not exceed 20 years from the date of issue.

As per Ind AS 109/ 32, 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.141,694.00 (including securities premium) till 31 March 2024. During the previous financial year, the parties entered into RPS Amendment agreement on 18 May 2022 and have mutually decided to extend the redemption period by 5 years (currently from 10 years to 15 years) further no redemption premium shall accrue or be payable for the extension period (i.e. 5 years).

As per Ind AS 109 and Ind AS 32, during the previous financial year, due to substantial changes in cash flows on account of extension of redemption period, the Company has extinguished the existing RPS liability and recognized a new instrument at fair value as on the date of modification. The remaining portion of the liability i.e. the carrying amount of the current RPS liability less fair value of new instrument amounting to Rs. Nil (2023 - Rs.120,672.29) have been recorded as other equity contribution in the books.

Notes to Standalone financial statements for the year ended 31 March 2024

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

ii) Loan from fellow subsidiary

On 25 October 2018, the fellow subsidiary had sanctioned a short-term loan facility ("Facility") of Rs. 1,300.00 to the Company. During the current financial year, the amount of loan facility has been reduced to Rs. 400.00 and the tenure further extended upto 24 October 2024.

The current outstanding under the facility is Rs. Nil (2023 Rs. Nil).

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.

b) Lease Liability

The company has lease contract for office premises, which has a lease term of 5 years. The Company also has certain short term leases of offices with lease terms of 1 years or less..

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at 31 March 2024	As at 31 March 2023
As at 1 April	23.27	-
Additions	-	24.36
Accretion of interest	2.12	0.79
Payments	(5.72)	(1.88)
As at 31 March	**19.67**	**23.27**
Current	4.28	3.60
Non-current	15.39	19.67

The effective interest rate for lease liabilities is 10%, with maturity between 2022-2027

The following are the amounts recognised in profit and loss.

	31 March 2024	31 March 2023
Depreciation expense of right-of-use assets	4.88	1.62
Interest expense on lease liabilities	2.12	0.79
Expenses relating to short-term leases (Included other expenses)	0.42	7.67
Total amount recognised in profit or loss	**2.42**	**10.67**

The Company had total cash outflows for leases of Rs. 5.72 in 31 March 2024 (2023 - Rs. 1.88). The Company also had non-cash additions to right-of-use assets and lease liabilities of Rs. Nil in 31 March 2024 (2023 - Rs. 24.36). The future cash outflows relating to leases are disclosed below:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-March-24						
Lease liabilities	-	1.01	3.27	15.39	-	19.67

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-March-23						
Lease liabilities	-	0.84	2.76	19.67	-	23.27

14 Provision

	Provision for employee benefits- Compensated absences (refer note 29)	Provision for employee benefits- Gratuity (refer note 29)	Provision for contingencies	Total
At 31 March 2022	9.45	4.01	888.35	901.81
Additional provision during the year	1.59	0.79	-	2.38
Interest accretion	0.68	0.29	-	0.97
Provision utilised/adjusted during the year	(3.59)	(0.97)	250.00	245.44
At 31 March 2023	8.13	4.12	1,138.35	1,150.60
Additional provision during the year	1.57	0.82	-	2.39
Interest accretion	0.60	0.30	-	0.90
Provision utilised/adjusted during the year	(1.26)	(0.35)	-	(1.61)
At 31 March 2024	**9.04**	**4.89**	**1,138.35**	**1,152.28**

Notes to Standalone financial statements for the year ended 31 March 2024

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

	Provision for employee benefits- Compensated absences (refer note 29)	Provision for employee benefits- Gratuity (refer note 29)	Provision for contingencies	Total
Current Year				
Total current	1.44	0.74	1,138.35	1,140.53
Total non-current	7.60	4.15	-	11.75
Previous Year				
Total current	1.31	0.61	1,138.35	1,140.27
Total non-current	6.82	3.51	-	10.33

15 Trade payables

	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises	1.07	0.18
Total outstanding dues of trade payables other than micro enterprises and small enterprises	10.24	14.13
Total	**11.31**	**14.31**

Trade payable ageing schedule as of 31 March 2024:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1.07	-	-	-	1.07
(ii) Others	10.12	-	-	0.12	10.24
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total Amount	**11.19**	**-**	**-**	**0.12**	**11.31**

Trade payable ageing schedule as of 31 March 2023:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.18	-	-	-	0.18
(ii) Others	8.87	-	0.65	4.61	14.13
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total Amount	**9.05**	**-**	**0.65**	**4.61**	**14.31**

According to the records available with the Company, dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, during the year is Rs 1.07 (31-March-2023 - Rs 0.18). Further no interest has been paid or is payable to such parties under the said Act in the current year and previous year. Accordingly, no disclosures in such respect have been given.

Dues to Micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Notes to Standalone financial statements for the year ended 31 March 2024

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

16 Other current financial liabilities

	As at 31 March 2024	As at 31 March 2023
Other current financial liabilities at amortised cost		
Sundry creditors for capital goods	6.92	6.92
Total	**6.92**	**6.92**

17 Other current liabilities

	As at 31 March 2024	As at 31 March 2023
Statutory dues	2.31	3.25
Other liability	-	5.40
Total	**2.31**	**8.65**

18 Revenue from operations (net)

	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of Goods	51.92	11.92
Service revenue	49.76	51.83
Total	**101.68**	**63.75**

Disclosure under Ind As - 115 - Revenue from contracts with customers

(a) Disaggregate revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers and reconciliation to the statement of profit and loss

	For the year ended 31 March 2024	For the year ended 31 March 2023
(i) Geographical market		
India	101.68	63.75
Outside India	-	-
Total revenue from contract with customers	**101.68**	**63.75**

(ii) Timing of revenue recognitions

	Services transferred at a point in time		Services transferred over time	
Particulars	**For the year ended 31 March 2024**	**For the year ended 31 March 2023**	**For the year ended 31 March 2024**	**For the year ended 31 March 2023**
Managed Services and Project Revenue	55.04	14.56	46.44	49.19

(b) Contract balances

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Contract assets	-	-
Contract liabilities	-	-

Notes:

The contract assets are in form of receivables, which are included in income receivable, primarily relate to the Company rights to consideration for services given to the customers but not billed at the reporting date. The contract assets are transferred to receivables when it will be billed subsequently.

The contract liabilities are in form advance received from customer for which the obligation of supply of goods/service is not completed at the year end.

Notes to Standalone financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

(c) Movement in contract assets and contract liabilities

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance of contract liabilities	-	-
Addition in balance of contract liabilities for current year	-	-
Amount of revenue recognized against opening contract liabilities	-	-
Closing balance of contract liabilities	-	-
Opening balance of contract assets	-	4.73
Addition in balance of contract assets for current year	-	-
Amount of billing recognized against opening contract assets	-	-4.73
Closing balance of contract assets	-	-

19 Other income

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income on financial assets carried at amortized cost :		
- Deposit with banks and others	128.29	78.82
-Other financial assets	0.22	0.07
Interest on Income Tax Refund	0.15	17.47
Other non-operating income		
-Profit on sale of property, plant and equipment(net)	20.06	9.80
-Liabilities/ provision no longer required written back	12.92	-
-Net gain from foreign currency transactions and translation	-	0.04
-Other non-operating income	5.30	5.07
Total	**166.94**	**111.27**

20 Changes in inventories of Stock -in- Trade

	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventories at the end of the year		
Stock -in- Trade	-	0.12
	-	0.12
Inventories at the beginning of the year	-	0.12
Stock -in- Trade	**-**	**0.12**
	-	0.12

21 Employee benefits expense

	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	85.86	93.52
Contribution to provident and other funds	3.61	3.81
Staff welfare expenses	1.95	1.71
Total	**91.42**	**99.04**

Notes to Standalone financial statements for the year ended 31 March 2024

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

22 Finance Cost

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on borrowings	18,665.63	17,906.24
Other interest expenses	2.12	0.85
Total interest expenses	**18,667.75**	**17,907.09**
Bank charges and commission	16.99	36.89
Total	**18,684.74**	**17,943.98**

23 Other expenses

	For the year ended 31 March 2024	For the year ended 31 March 2023
Power and fuel	0.93	0.27
Rent**	0.69	7.75
Insurance	0.04	-
Lease line expenses	0.43	0.19
Network managed services	9.48	11.43
Repair & Maintenance Building & Others	3.37	2.09
Advertisment and marketing expenses	0.45	0.20
Travelling and conveyance expenses	3.69	5.40
IT support and services expenses	0.96	0.91
Legal and professional fees	33.29	50.23
Rates and taxes	1.35	0.45
Auditors' remuneration *	1.33	2.32
Allowances for credit losses/ advances	0.90	7.99
Net loss on foreign currency transaction and translation	0.02	-
Miscelleneous expenses	5.18	5.60
	62.11	**94.83**

*** Payment to Auditors**

	For the year ended 31 March 2024	For the year ended 31 March 2023
As Auditor:		
Audit fee	1.30	2.20
Reimbursement of expenses	0.03	0.12
	1.33	**2.32**

** 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 2024 and 31 March 2023

24 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:

Notes to Standalone financial statements for the year ended 31 March 2024

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

	For the year ended 31 March 2024	For the year ended 31 March 2023
Loss attributable to equity shareholders of the Company	(18,613.72)	(17,417.82)
Loss attributable to equity shareholders of the Company (A)	**(18,613.72)**	**(17,417.82)**
Weighted average number of equity shares in calculating basic EPS (No. in millions) (B)	2,394.07	2,394.07
Weighted average number of equity shares in calculating diluted EPS (No. in millions) (C)	2,394.07	2,394.07
Loss per equity share in Rs		
Earning per share		
Basic earnings per share (A/B)	(7.77)	(7.28)
Diluted earnings per share (A/C)	(7.77)	(7.28)

25) 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. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

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 2.3(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.

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 business projections, the Company is confident that it would be able to arrange funds for long term and operations.

Notes to Standalone financial statements for the year ended 31 March 2024

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

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 29.

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(a) and 26 for further disclosures.

As per Ind AS 109/32, 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 is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the Balance Sheet date. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates (also refer note 30).

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

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 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 revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Notes to Standalone financial statements for the year ended 31 March 2024

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

26 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Measured at amortised Cost*	
	As at 31 March 2024	**As at 31 March 2023**
Financial assets		
Security Deposits	7.76	5.30
Trade receivables	85.92	32.36
Cash and cash equivalents	7.28	24.68
Other bank balances	1,778.72	1,811.03
Other financial assets	63.45	49.23
Total	**1,943.13**	**1,922.60**
Financial liabilities		
Non- current borrowings	1,36,770.21	1,18,104.58
Lease liabilities	19.67	23.27
Trade payables	11.31	14.31
Other financial liabilities	6.92	6.92
Total	**1,36,808.11**	**1,18,149.08**

* 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

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

Notes to Standalone financial statements for the year ended 31 March 2024

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

	Carrying Value	Level 1	Fair value Level 2	Level 3
At 31 March 2024				
Financial assets	1,943.13	-	-	-
Financial liability	1,36,808.11	-	-	-
At 31 March 2023				
Financial assets	1,922.60	-	-	-
Financial liability	1,18,149.08	-	-	-

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

27 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 2024.

The Company has Rs Nil borrowings as at 31 March 2024 (2023: Rs Nil). Undrawn borrowing available as at 31 March 2024 is Rs 400.00 (2023: Rs 1,300.00).

28 Derivative instruments

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

29 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 2024:

	Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income						
	01-Apr-23	Service cost	Net interest expense	Sub-total included in profit or loss (Note 21)	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-24
Defined benefit obligation	(4.12)	(0.82)	(0.30)	(1.12)	0.48	-	-	(0.04)	(0.09)	(0.13)	-	(4.89)
Benefit liability	**(4.12)**			**(1.12)**						**(0.13)**	**-**	**(4.89)**

Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2023:

	Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income						
	01-Apr-22	Service cost	Net interest expense	Sub-total included in profit or loss (Note 21)	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-23
Defined benefit obligation	(4.01)	(0.79)	(0.28)	(1.07)	1.43	-	(0.15)	0.04	(0.35)	(0.46)	-	(4.12)
Benefit liability	**(4.01)**			**(1.07)**						**-**	**-**	**(4.12)**

Notes to Standalone financial statements for the year ended 31 March 2024
(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 2024	31 March 2023
Discounting rate	7.21%	7.35%
Future salary increase	5.00%	5.00%
Expected rate of return on plan assets	Nil	Nil
Retirement age (years)	60	60
Mortality table	100% of IALM (2012 - 14)	
Ages	**Withdrawal Rate (%)**	
Up to 30 years	-	-
From 31 to 44 years	8.00	8.00
Above 44 years	8.00	8.00

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 2024 is as shown below:

Assumptions	Discount rate		Future salary increases	
Senstivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined obligation	(0.15)	0.15	0.16	(0.15)

A quantitative sensitivity analysis for significant assumption as at 31 March 2023 is as shown below:

Assumptions	Discount rate		Future salary increases	
Senstivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined obligation	(0.13)	0.14	(0.14)	0.13

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.

Long term employee benefits

Compensated absences:

Compensated absences expense recognized in salaries, wages and bonus for the year ended 31 March 2024 and 31 March 2023 are as follow:

Particulars	31 March 2024	31 March 2023
Current service cost	1.57	1.59
Interest cost	0.60	0.68
Acturial (gain) / loss	1.41	0.57
Net Cost	**3.58**	**2.84**

The principal assumptions used in determining obligations are shown below:

Particulars	31 March 2024	31 March 2023
Discounting rate	7.21%	7.35%
Future salary increase	5.00%	5.00%
Retirement age (years)	60	60
Mortality table	100% of IALM (2012 - 14)	
Ages	**Withdrawal Rate (%)**	
Up to 30 years	-	-
From 31 to 44 years	8.00	8.00
Above 44 years	8.00	4.00

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.

Notes to Standalone financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

Reconciliation of opening and closing balances of obligations.

Particulars	31 March 2024	31 March 2023
Change in Projected Benefit Obligation (PBO)		
PBO at beginning of year	8.13	9.45
Current service cost	1.57	1.59
Interest cost	0.60	0.68
Benefits paid	(2.67)	(4.16)
Acturial (gain) / loss	1.41	0.57
Projected benefit obligation at year end	**9.04**	**8.13**
Net funded Status of the plan	-	-
Net amount recognized	**9.04**	**8.13**

30 Commitments and Contingent Liabilities

	As at 31 March 2024	As at 31 March 2023
Commitments		
Capital Commitments	0.16	0.52
Contingent Liabilities		
Matter under litigation		
Bank Guarantee related to AGR matter (refer note 'b' below)	4,508.00	4,508.00
Value added tax	86.70	66.93
Service tax/GST	1,923.31	1,879.87
Others	251.41	249.24
Total	**6,769.58**	**6,704.56**

Based on the discussion with consultants/advisors, the management reasonably expect that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Company's operations or financial condition. As a result, the Company is not carrying provisions on pending cases in the books of account.

a) Provident fund

In view of the 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.

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, penalty thereon for various financial years on account of difference in interpretation of Adjusted Gross Revenue ("AGR") and other assessment related matters.

In its Order dated 23 April 2015, the Hon'ble TDSAT set aside all the demands under dispute and directed DoT to rework demands for the license fees and SUC payable by the Company as per 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 setting aside the TDSAT judgement and upholding the view of the DoT in respect of the definition of AGR ('AGR Judgement').

Pursuant to the SCHEME and DoT letter dated 20 October 2017 approving the SCHEME, the AGR liability upto Rs. 2,214.00 for 21 licenses quashed by Hon'ble Supreme Court vide its judgment & order dated 02 February 2012 and complete AGR liability for 9

Notes to Standalone financial statements for the year ended 31 March 2024

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

operating circles, has been transferred to RCOM under the SCHEME. The Company has already informed DoT that the directions given by the Supreme Court in the Judgment dated 24 October 2019 are binding on RCOM and therefore DoT should recover the AGR dues from RCOM in terms of its own approval of SCHEME.

As per the latest affidavit dated 09 April 2024 filed by the DoT in compliance of the order of the court, DoT has reproduced a table wherein DoT has reiterated / confirmed the amounts of total dues of RCOM /SSTL towards licensee and SUC. During the year the Company has filed a curative petition before the Hon'ble Supreme Court to set aside the judgement, which is pending adjudication.

The Company had outstanding remaining bank guarantees of Rs 4,508.00 as on date of approval with DoT as per license's conditions. The Company filed a petition before TDSAT seeking release of balance bank guarantees amounting to Rs 4,508.00. The TDSAT vide final judgment & order dated 14 February 2019 partly allowed the petition and directed the DOT to release bank guarantees held by it in excess of Rs 2402.60.

However, DOT has filed an appeal before the Supreme Court against the judgment. The Company has also filed an appeal against the judgment before the Supreme Court in respect of Bank guarantees for Rs 2402.60 which have been directed by TDSAT to be retained by DoT. The said appeals have been admitted and the same are pending adjudication before the Hon'ble Supreme Court. During the current year, the Hon'ble Supreme Court permitted DOT to file additional affidavit. The said guarantees of Rs. 4,508.00 furnished by the Company have been disclosed as contingent liability.

The Company strongly believes, supported by the legal opinion that, the Company has transferred AGR liabilities of Rs 2,214.00 to RCOM in terms of DoT's own approval of SCHEME. The AGR dues liability transferred as per SCHEME cannot be enforced against the Company and only RCOM is liable to pay such AGR liability to DoT by operation of law. The Company continued to carry the provision of liabilities of Rs 863.16 recognized in earlier years and the Company expects no additional financial liability in this matter.

Other Disputed matters not included above.

c) One Time Spectrum charges ('OTSC')

During 2014-15, DoT issued Show Cause Notice of Rs 6,369.00 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 6,369.00 and interest thereon of Rs 1,836.24. The Company 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 5,849.40 (excluding interest) and interest thereon of Rs 3,415.69 and further revised the demand, vide its letter dated 13 June 2017, to Rs 5,849.40 and interest thereon of Rs 3,689.20. 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. 1,077.78 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 140.00. The Company has filed a petition in Hon'ble TDSAT to challenge the demand. Hon'ble TDSAT has stayed the demand vide order dated 22 December 2016. Based on legal advisor's assessment, the Company does not foresee any further liability.

Further, the Company received the demand notices from DoT of Rs 653.00 in 2010/2011 for LD for non-fulfillment of roll out obligations under the License and the Company has deposited Rs. 595.40 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. 791.00 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 financial year 2017-18 the Company has transferred the liability for this dispute to RCOM as per SCHEME.

Notes to Standalone financial statements for the year ended 31 March 2024

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

e) Claims from IP (Infrastructure provider) Vendors

i. Certain passive infrastructure vendors ('the Vendors') raised claims amounting to Rs 1,839.45 (2022 – Rs 1,839.45) 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. 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 and allowed the claim of Vendor for outstanding amount The Vendors/Company subsequently filed appeals before the Hon'ble Delhi High Court challenging the orders passed by the Arbitral Tribunals.

During the current year, in one of the matters related to premature termination of service contracts, the Hon'ble Delhi High Court dismissed the petition filed by a vendor against the arbitral award. The Vendor has challenged the order before the Division Bench of the Hon'ble High Court. In the other matters related to premature termination and outstanding dues, the appeals are still pending before the Hon'ble High Court.

During the financial year 2017-18 the Company has transferred the liability for above dispute to RCOM as per SCHEME.

ii. A passive infrastructure Vendor raised claims amounting to Rs 1,287.24 (2023 – Rs 1,287.24) (which comprises of Rs 402.30 towards tenancy obligations and Rs 884.94 towards outstanding amounts) and interest thereon due from the Company as on the date of transfer of its telecom undertaking to RCOM under the SCHEME. The above dispute was referred to the Arbitral Tribunals for adjudication, by the Hon'ble Delhi High Court. The Tribunal has pronounced the award on 15 December 2023, dismissing the claim for Rs 402.30 and allowed the other claim of Rs 884.94 with interest amounting to Rs 596.86 aggregating to Rs 1481.80, disregarding the SCHEME.

The Company has challenged the award before the Delhi High Court and the matter is pending for adjudication. However, Vendor has filed petition before the Delhi High Court against the Company seeking the security of the claim amount.

The Company believes, based on a legal opinion, that, with the SCHEME coming into force, all liabilities of the transferred undertaking including the subject claims stands transferred to/vested in RCOM by operation of Law and no obligation/ liability would arise on the Company.

31 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)

(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 - Resigned 19-Apr-2022 - Vikram Kaushik (Independent Director) - Preeti Singh (Independent Director - Appointed on 20-Apr-2022)

(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

Notes to Standalone financial statements for the year ended 31 March 2024
(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	Fellow Subsidiaries				KMP**			
		Sistema PJSFC	SISL	Sistema Asia Capital Pte. Ltd.	Sistema Asia Pte. Ltd.	INSITEL Services Private Limited	SACAP India Private Limited	Bharat V Patel	Vikram Kaushik	Preeti Singh	Neera Sharma
Loan repayment	2023-24	-	-	-	-	-	-	-	-	-	-
	2022-23	-	-	-	-	118.00	-	-	-	-	-
Loan taken	2023-24	-	-	-	-	-	-	-	-	-	-
	2022-23	-	-	-	-	118.00	-	-	-	-	-
Managerial remuneration	2023-24	-	-	-	-	-	-	-	-	-	20.15
	2022-23	-	-	-	-	-	-	-	-	-	20.80
Interest on loan (refer note 2(m) and 13(a)(i))	2023-24	-	-	-	-	18,665.63	-	-	-	-	-
	2022-23	-	-	-	-	17,906.24	-	-	-	-	-
Shared Service centre fee/ Support Service fee (Income)	2023-24	-	-	3.37	0.83	-	2.45	-	-	-	-
	2022-23	-	-	6.26	2.05	-	3.48	-	-	-	-
Director's sitting fees	2023-24	-	-	-	-	-	-	-	0.95	0.90	-
	2022-23	-	-	-	-	-	-	0.30	1.20	0.80	-
Allowance for credit losses on trade receivables written back	2023-24	-	8.00	-	-	-	-	-	-	-	-
	2022-23	-	-	-	-	-	-	-	-	-	-

During the current and previous financial year, the Company has not issued any RPS. Interest on loan Rs. 18,665.63 (2023 Rs. 17,906.24) (INSITEL Services Private Limited) also consist of interest provided on borrowing part of Redeemable Preference Shares.

Balance Outstanding

Particulars	Year	Nature of relationship			
		Subsidiary Co	Fellow Subsidiaries		
		SISL	INSITEL Services Private Limited	Sistema Asia Capital Pte. Ltd.	Sistema Asia Pte. Ltd.
Redeemable Preference Share (refer note 2(n) and 13 (a))	31-Mar-2024	-	1,36,770.21	-	-
	31-Mar-2023	-	1,18,104.58	-	-
Amount recoverable/ Trade receivable	31-Mar-2024	30.58	-	1.47	0.41
	31-Mar-2023	38.58	-	-	-
Allowance for credit losses on trade receivables	31-Mar-2024	38.58	-	-	-
	31-Mar-2023	30.58	-	-	-

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. 2,818.45 (2023: Rs. 3,136.83) The interest on liability portion of RPS is net of other equity.

Notes to Standalone financial statements for the year ended 31 March 2024

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

32 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include security deposit, 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.

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 investments are primarily in bank deposits for short duration. Hence, the Company is not significantly exposed to interest rate risk.

The Company does not have significant exposure to the risk of changes in market interest rate as the Company's debt obligations is at fixed rate.

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 Nil (USD Nil) [31 March 2023: Rs 1.88 (USD 22,900)]. 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 2024	
INR appreciates 5% against USD	-
INR depreciates 5% against USD	-
For the year ended 31 March 2023	
INR appreciates 5% against USD	0.09
INR depreciates 5% against USD	(0.09)

(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 trade receivables, cash and cash equivalents, deposits with banks and other financial instruments. Credit risk is managed by company's established policy, procedures and control relating to customer credit risk management.

Customer 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.

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investment of surplus funds are made generally in fixed deposits.

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

Notes to Standalone financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
Security deposits (current and non - current)	5	7.76	5.30
Trade receivables	7	85.92	32.36
Other financial assets	5	63.45	49.23
Total		**157.13**	**86.89**

The ageing of financial assets at the reporting date was:

Particulars	As at 31 March 2024	As at 31 March 2023
Not past due	68.23	42.43
Past due 0-30 days	16.71	27.85
Past due 31-90 days	9.61	7.00
Past due 90 days-one year	62.57	9.61
More than one year	0.01	-
Total	**157.13**	**86.89**

Movement of allowance for financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Opening allowance for financial assets	58.06	50.07
Add: Addition in allowances during the year	-	7.99
Closing allowance for impairment in financial assets	**58.06**	**58.06**

(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 as at 31 March 2024:

	Carrying amount	Contractual cash flows	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	11.31	11.31	-	11.31	-	-	-	11.31
Borrowings								
Non Cumulative Non-convertible Redeemable Preference Shares	1,36,770.21	2,80,441.44	-	-	-	1,86,234.81	94,206.63	2,80,441.44
Lease Liability	19.67	23.50	-	1.48	4.53	17.49	-	23.50
Other financial liabilities								
Sundry creditors for capital goods	6.92	6.92	-	6.92	-	-	-	6.92
Deposits from customers								-
	1,36,808.11	**2,80,483.17**	**-**	**19.72**	**4.53**	**1,86,252.30**	**94,206.63**	**2,80,483.17**

The following are the contractual maturities of the financial liabilities as at 31 March 2023:

	Carrying amount	Contractual cash flows	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	14.31	14.31	-	14.31	-	-	-	14.31
Borrowings								
Non Cumulative Non-convertible Redeemable Preference Shares	1,18,104.58	2,80,441.44	-	-	-	1,18,394.60	1,62,046.84	2,80,441.44

Notes to Standalone financial statements for the year ended 31 March 2024

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

Lease Liability	23.27	29.22	-	1.41	4.31	23.50	-	29.22
Other financial liabilities								
Sundry creditors for capital goods	6.92	6.92	-	6.92	-	-	-	6.92
Deposits from customers								
	1,18,149.08	**2,80,491.89**	**-**	**22.64**	**4.31**	**1,18,418.10**	**1,62,046.84**	**2,80,491.89**

33 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

34 Exceptional Items

Exceptional items represent reversal of provisions amounting to Rs. Nil (2023 - Rs.553.45) which the Company had created in year 2017 to meet contingencies.

35 Event after the reporting period

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

36 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.

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 Ratio Analysis and its elements

Ratio	Numerator	Denominator	31-Mar-24	31-Mar-23	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.71	1.69	1.51%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	(1.01)	(1.01)	-0.08%	
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	0.00	0.03	-88.59%	Due to increase in RPS Interest in current year
Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	(0.15)	(0.10)	42.63%	Due to increase in RPS Interest in current year
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	-	93.72	-100.00%	Due to nil inventory in current year

Notes to Standalone financial statements for the year ended 31 March 2024

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

Ratio	Numerator	Denominator	31-Mar-24	31-Mar-23	% change	Reason for variance
Trade Receivable Turnover Ratio	Revenue from Operations	Average Trade Receivable	1.72	1.15	49.30%	Due to increase in revenue from operations during the current year
Trade Payable Turnover Ratio	Expenses other than Employee Benefit Expense, Finance Cost, Depreciation and Provision for doubtful debts and advances	Average Trade Payables	7.72	0.22	3352.98%	Impact of old provision written back in previous years
Net Capital Turnover Ratio	Revenue from Operations	Average Working Capital	0.12	0.12	4.25%	
Net Profit ratio	Net Profit	Revenue from Operations	(183.06)	(273.23)	-33.00%	Due to increase in revenue from operations during the current year
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.07	(0.03)	-343.61%	Due to increase in revenue from operations during the current year

Ratios for variances have been explained for change by more than 25% as compared to the previous year.

41 On 02 November 2023, U. S. Department of the Treasury has imposed the OFAC ("Office of Foreign Asset control") Sanctions on Sistema PJSFC (Sistema) (holding company). Pursuant to E.O.14024, OFAC also designated the companies for being owned and controlled by or having acted or purported to act for or on behalf of directly or indirectly, by Sistema. Sanctions are binding only on US citizens and permanent residents wherever located; legal entities incorporated within the US, including their foreign branches. Though there is no direct impact of sanction on the operations of the Company, however the revenue from shared service center fee from fellow subsidiaries has been impacted. The holding company is taking necessary specific license / exemptions to mitigate the impact of sanctions.

42 Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

43 Details of due of Income-Tax, Sales Tax, Value added tax and Service tax which have not been deposited as on 31 March 2024 on 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	70.36	70.12	Hon'ble High Court
2	Orissa Value Added Tax Act.	VAT	2013-2014	16.34	16.34	The Commissioner of CT & GST, Orissa
3	Finance Act, 1994 (Service tax provisions), Goods and Services Tax Act, 2017	Service Tax/GST	2008-09, 2009-10, 2010-11 & 2013-14, 2016-17, 2017-18	2,049.19	1,923.31	Custom, Excise, Service Tax Appellate Tribunal, GST Authority

44 Additional regulatory information required by Schedule III

i. No proceedings have been initiated or pending against the Company under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under:

ii. The Company is not a declared willful defaulter by any bank or financial Institution or government or any government authority.

iii. The Company does not have any borrowings from banks and financial institutions that are secured against current assets during the year.

Notes to Standalone financial statements for the year ended 31 March 2024

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

iv. The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

v. The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

vi. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vii. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

viii. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

x. The Company has not revalued its Property, Plant and Equipment during the current or previous year.

xi. During the previous year, the Company received a no objection certificate (NOC) from a lender for satisfaction of charge of Rs. 1,750.00 on 20 March 2023, which was filed with Ministry of Corporate Affairs on 25 April 2023, beyond the stipulated period due to technical glitches at MCA portal.

xii. The Company does not have any borrowings from banks and financial institutions as at the balance sheet date.

xiii. The Company has not granted any loans or advances in the nature of loans to promoters, Directors, KMPs and the related parties during the financial year.

45 Previous year figures have been regrouped and reclassified to make them comparable, wherever considered necessary.

For and on behalf of the Board of Directors of
Sistema Smart Technologies Limited

Sergey Savchenko
Director
DIN - 02891905
Place : Gurugram
Date : 15 July 2024

Neera Sharma
Whole Time Director & CEO
DIN - 00975300
Place : Gurugram
Date : 15 July 2024

Vinay Mittal
Chief Financial Officer
Place : Gurugram
Date : 15 July 2024

Khushbu Pawar
Company Secretary
Place : Gurugram
Date : 15 July 2024

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 ("the Holding 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, 2024, and 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, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of the 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 ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, of its consolidated loss and other comprehensive loss, its 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 (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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

(i) We draw attention to note 29(b) of the consolidated financial statements, which describes the uncertainties related to estimation of liability of license fees and spectrum usage charges on Adjusted Gross Revenue ("AGR Liability"), including dues of Rs 2,214 million related to AGR Liability transferred to Reliance Communications Limited ("RCOM") under scheme of arrangement, and matter of release of bank guarantees being sub-judice. Supported by the legal opinion, the Company strongly believes that the AGR liability of Rs 2,214 million has been transferred to RCOM as part of the approved scheme of arrangement and cannot be enforced against the Company. The Company is not expecting any additional financial liability (except for those already provided for) in this matter.

(ii) We draw attention to note 29(e)(ii) of the consolidated financial statements regarding the arbitration award of Rs 1,482 million of vendor outstanding as on the date of transfer of its telecom undertaking under the scheme of arrangement. The Company has challenged the award before the Hon'ble Delhi High Court. The Company, based on an independent legal opinion, believes that owing to the scheme of arrangement coming into force, all liabilities of the transferred undertaking including this claim have been transferred to/vested with RCOM by operation of the law and no further obligation/ liability arises against the Company thereafter.

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

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the consolidated financial statements, standalone financial statements, and our auditor's reports 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, compare with the financial statements of the subsidiary audited by the other auditor, to the extent it relates to the subsidiary and, in doing so, place reliance on the work of the other auditor and 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. Other information so far as it relates to the subsidiary, is traced from their financial statements audited by the other auditor.

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 preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive loss, consolidated cash flows and consolidated changes in equity of the Group in accordance with the other accounting principles generally accepted in India, including IND AS specified under section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Board of Director'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 auditors. For the other entity included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remains 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 and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls 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

a) We did not audit the financial statements of subsidiary whose financial statements reflect total assets of Rs 0.32 million as at March 31, 2024, total revenues of Rs Nil and net cash inflows of Rs 0.29 million for the year ended on that date, as considered in the consolidated financial statements. The financial statements of the subsidiary have been audited by the other auditor whose report has been furnished to us by the management, 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 and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the 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, referred to in the Other Matters section 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 report of the other auditor.

   c) The Consolidated Balance Sheet, 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 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, 2024, taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of the subsidiary company, none of the directors of the group companies is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding Company and subsidiary company.

2. 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.

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

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 29 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.

   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.

   iv. a) The respective managements of the Holding Company and its subsidiary, whose financial statements have been audited under the Act, have represented to us, and to the auditor of such subsidiary, to the best of their knowledge and belief, as disclosed in the note 44(vii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or the subsidiary to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.;

   (b) The respective managements of the Holding Company and its subsidiary, whose financial statements have been audited under the Act, have represented to us and to the auditor of such subsidiary that, to the best of their knowledge and belief, as disclosed in the note 44(vii) to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary, from any persons or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or the subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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

vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable with effect from 1st April 2023.

Based on our examination which included test checks and that performed by the auditor of the subsidiary and based on the other auditor's report of its subsidiary company whose financial statements have been audited under the Act, the Holding Company and its subsidiary have used accounting software for maintaining their respective books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and the other auditor, whose report has been furnished to us by the Management, did not come across any instance of audit trail feature being tampered with.

4. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditor of the subsidiary company included in the consolidated financial statements to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For VJSJ & Co LLP
Chartered Accountants
Firm Registration No. N500112

Surendra Kumar Joshi
Partner
M.No. 402589
UDIN: 24402589BKLCSY7079

Place: Gurugram
Date: 15 July 2024

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 with reference to consolidated financial statements under Clause (i) of sub-section 3 of section 143 of the Act

In conjunction with our audit of the consolidated financial statements of the Company for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of **Sistema Smart Technologies Limited** (hereinafter referred to as "the Holding Company") and its subsidiary company as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding and its subsidiary company are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI).These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding and its subsidiary Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding and its subsidiary Company.

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

In our opinion 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 Holding and its subsidiary company have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to the subsidiary company, is based solely on the corresponding report of the auditors of such company.

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

For VJSJ & Co LLP
Chartered Accountants
Firm Registration No. N500112

Surendra Kumar Joshi
Partner
M.No. 402589

Place: Gurugram
Date: 15 July 2024

Consolidated Balance Sheet as at 31 March 2024

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

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	4.63	4.06
Capital work-in-progress	3	1.41	1.80
Right of use assets	3(a)	17.86	23.25
Financial assets			
Other financial assets	4	2.77	2.83
Non-current tax assets (net)		0.72	2.53
Other non current assets	5	185.13	153.60
Total Non-current assets		**212.52**	**188.07**
Current Assets			
Inventories	7	-	-
Financial assets			
Trade receivables	6	85.92	32.36
Cash and cash equivalents	8	7.56	24.68
Bank balances other than above	9	1,778.72	1,811.15
Other financial assets	4	68.44	60.28
Other current assets	5	27.08	31.13
		1,967.72	**1,959.60**
Assets classified as held for sale	3 (b)	30.16	30.64
Total Current Assets		**1,997.88**	**1,990.24**
Total Assets		**2,210.40**	**2,178.31**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	23,940.66	23,940.66
Other equity	11	(1,59,693.02)	(1,41,070.75)
Total Equity		**(1,35,752.36)**	**(1,17,130.09)**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	12(a)	1,36,770.21	1,18,104.58
Lease liability	12(b)	15.39	19.67
Provisions	13	11.75	10.33
Total Non-current liabilities		**1,36,797.35**	**1,18,134.58**
Current liabilities			
Financial liabilities			
Borrowings	12(a)	-	-
Lease liability	12(b)	4.28	3.60
Trade payables	14		
Total outstanding dues of micro enterprises and small enterprises		1.07	0.18
Total outstanding dues of trade payables other than micro enterprises and small enterprises		10.29	14.17
Other financial liabilities	15	6.92	6.92
Provisions	13	1,140.53	1,140.27
Other current liabilities	16	2.32	8.68
Total Current liabilities		**1,165.41**	**1,173.82**
Total Liabilities		**1,37,962.76**	**1,19,308.40**
Total Equity and Liabilities		**2,210.40**	**2,178.31**

The accompanying notes form an integral part of the consolidated financial statements **1-45**

As per our report of even date
For VJSJ & Co. LLP
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Surendra Kumar Joshi
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M.No. 402589

Place : Gurugram
Date : 15 July 2024

For and on behalf of the Board of Directors of
Sistema Smart Technologies Limited

Sergey Savchenko
Director
DIN - 02891905
Place : Gurugram
Date : 15 July 2024

Neera Sharma
Whole Time Director & CEO
DIN - 00975300
Place : Gurugram
Date : 15 July 2024

Vinay Mittal
Chief Financial Officer
Place : Gurugram
Date : 15 July 2024

Khushbu Pawar
Company Secretary
Place : Gurugram
Date : 15 July 2024

Consolidated Statement of Profit and Loss for the year ended 31 March 2024

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

Particulars	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Income			
Revenue from operations	**17**	101.68	63.75
Other income	**18**	159.31	112.29
Total income		**260.99**	**176.04**
Expenses			
Purchases of Stock -in- Trade		37.64	5.52
Changes in Inventories of Stock - in- Trade	**19**	-	0.12
Employee benefit expense	**20**	91.89	99.35
Finance cost	**21**	18,684.74	17,943.98
Depreciation and Amortisation	**3 & 3(a)**	6.43	2.80
Other expenses	**22**	62.43	95.18
Total expenses		**18,883.13**	**18,146.95**
Loss before exceptional item and tax		**(18,622.14)**	**(17,970.91)**
Exceptional item (net)	**33**	-	(553.45)
Loss before tax		**(18,622.14)**	**(17,417.46)**
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
Loss for the year		**(18,622.14)**	**(17,417.46)**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurement gains/(losses) on defined benefit plans	**11**	(0.13)	(0.46)
Income tax relating to above		-	-
Total other comprehensive income, net of tax		**(0.13)**	**(0.46)**
Total Comprehensive loss for the year		**(18,622.27)**	**(17,417.92)**
Earnings per equity share (nominal value of Rs. 10 each)	**23**		
(1) Basic		(7.78)	(7.28)
(2) Diluted		(7.78)	(7.28)
The accompanying notes form an integral part of the consolidated financial statements	**1-45**		

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Consolidated Statement of Cash Flows for the year ended 31 March 2024

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

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A. Cash flows from operating activities:		
Net Loss before tax	(18,622.14)	(17,417.46)
	(18,622.14)	(17,417.46)
Adjustments for:		
Depreciation and Amortisation	6.43	2.80
Interest income	(128.82)	(96.70)
Finance costs	18,667.74	17,907.09
Allowances for credit losses	0.90	7.99
Liabilities/ provision no longer required written back	(4.92)	(553.45)
Unrealised foreign exchange (gain)/ loss, net	0.02	0.04
Gain on disposal of property, plant and equipment, assets held for sale and right of use assets	(20.06)	(9.80)
Operating cash flow before movements in working capital	**(100.85)**	**(159.49)**
Movement in working capital :		
- (Increase)/decrease in inventories	-	0.12
- (Increase)/decrease in trade receivables	(53.57)	38.05
- (Increase)/decrease in other receivables (current- non current)	(18.75)	1.90
- Increase/(decrease) in trade payables and financial liabilities	1.92	(9.62)
- Increase/(decrease) in other liabilities (current- non current)	(6.49)	3.59
- Increase/(decrease) in provisions	1.69	(1.21)
Cash generated from/(used in) operations	**(176.05)**	**(126.66)**
Income taxes refund	1.82	62.00
Net cash flow from operating activities	**(174.23)**	**(64.66)**
B. Cash flows from investing activities:		
Purchases of property, plant and equipment	(2.58)	(4.52)
Proceeds from disposal of property plant and equipment	1.00	1.21
Proceeds from disposal of assets held for sale	17.20	7.12
Proceeds from disposal of right of use assets	3.70	2.80
Investments in/Proceeds from maturity of bank balances not considered as cash and cash equivalents	3.10	(1.31)
Interest received	102.54	66.81
(Increase)/Decrease in margin money deposit	37.87	(475.02)
Net cash flow from/(used in) investing activities	**162.83**	**(402.91)**
C. Cash flows from financing activities:		
Repayment of lease liability	(3.60)	(1.09)
Proceeds from current borrowings	-	118.00
Repayments of current borrowings	-	(118.00)
Interest and other finance charges paid	(2.12)	(2.93)
Net cash flow used in financing activities	**(5.72)**	**(4.02)**
Net increase in cash and cash equivalents during the year	**(17.12)**	**(471.59)**
Add : Cash and cash equivalents as at the beginning of the year	24.68	496.27
Cash and cash equivalents as at the end of the year (refer note 8)	**7.56**	**24.68**
The cash flow statement has been prepared under the indirect method as set out in Ind AS-7 on statement of cash flows as notified under Section 133 of the Companies Act, 2013		
Components of cash & cash equivalents as at end of the year		
- Cash on Hand	-	-
- Bank Balance	7.56	24.68
- Cash & Cash equivalents	7.56	24.68

The accompanying notes form an integral part of the consolidated financial statements 1-45

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Company Secretary
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Date : 15 July 2024

Consolidated Statement of Changes in Equity for the year ended 31 March 2024

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

A. Equity Share Capital

1) Current year as at 31 March 2024

Balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
23,940.66	-	23,940.66

2) Previous year as at 31 March 2023

Balance at the beginning of the previous reporting period	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period
23,940.66	-	23,940.66

B. Other equity

1) Current year as at 31 March 2024

Particulars	Equity component of Redeemable Preference Shares	Equity share capital			Total equity
		Capital reserve	Investment revaluation reserve	Retained earnings	
Balance at the beginning of the current reporting period	1,81,051.61	6,803.97	(34.11)	(3,28,892.22)	(1,41,070.75)
Loss for the year	-	-	-	(18,622.14)	(18,622.14)
Other comprehensive income				(0.13)	(0.13)
Total Comprehensive Income for the current year	-	-	-	(18,622.27)	(18,622.27)
Amendment in Redemption terms (refer note 12(a)(i))	-	-	-	-	-
Balance at the end of the current reporting period	**1,81,051.61**	**6,803.97**	**(34.11)**	**(3,47,514.49)**	**(1,59,693.02)**

2) Previous year as at 31 March 2023

Particulars	Equity component of Redeemable Preference Shares	Equity share capital			Total equity
		Capital reserve	Investment revaluation reserve	Retained earnings	
Balance at the beginning of the previous reporting period	60,379.32	6,803.97	(34.11)	(3,11,474.30)	(2,44,325.12)
Loss for the year	-	-	-	(17,417.46)	(17,417.46)
Other comprehensive income				(0.46)	(0.46)
Total Comprehensive Income for the previous period	-	-	-	(17,417.92)	(17,417.92)
Amendment in Redemption terms (refer note 12(a)(i))	1,20,672.29	-	-	-	1,20,672.29
Balance at the end of the previous reporting period	**1,81,051.61**	**6,803.97**	**(34.11)**	**(3,28,892.22)**	**(1,41,070.75)**

The accompanying notes form an integral part of the consolidated financial statements 1-45

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Notes to Consolidated financial statements for the year ended 31 March 2024
(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'), a public unlisted company, was incorporated on 20 April 1995, under the provisions of Indian companies Act. The company is domiciled in India with its registered office located at 121, Doctors Colony, Near DCM Ajmer Road, Jaipur – 302021 Rajasthan.

The Subsidiary, Sistema Internet Services Limited ('SISL') was in the business of internet services. SISL has been granted category 'B' License on 18 December 2003 by the Department of Telecommunication for a period of 16 years for providing internet services in the state of Rajasthan. During the financial year 2017-2018, SISL surrendered its license and closed the operation w.e.f. 31 December 2017. Subsequently the license has expired and terminated on 17 December 2018.

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

As at 31 March 2024, Sistema PJSFC ('SISTEMA') and Russian Federation hold 75.62% and 22.86% of equity shares of the Group. SISTEMA is the holding Group of SSTL.

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

The consolidated financial statements have been authorized for issue in accordance with the resolution of the Board of Directors dated 15 July 2024.

Scheme of Demerger

In November 2015, SISTEMA and SSTL entered into a merger agreement with Reliance Communications Limited('RCOM') pursuant to which SSTL agreed to transfer its telecommunication undertaking to RCOM on a going concern basis under a court approved scheme of arrangement pursuant to provisions of Sections 391 to 394 of the Companies Act, 1956 ("SCHEME").

The Scheme was approved by Hon'ble High Court of Rajasthan and Bombay on 30 September 2016 and 7 October 2016 respectively (Final Order). DoT vide its letter dated 20 October 2017 also gave its approval to the Company and RCOM for the transfer of the Company's telecom business including spectrum to RCOM. The Company filed the Final Order with the Registrar of Companies ('ROC') and the SCHEME became effective on 31 October 2017.

(b) During the year ended 31 March 2024, the Group has incurred a loss of Rs 18,622.14 (2023-Rs 17,417.46) (profit excluding interest expense on redeemable preference share capital ('RPS') is Rs 43.49 for the year 2024 and Rs 486.71 for the year 2023) and cash profit of Rs. 45.00 (2023- cash loss of Rs 63.94). The accumulated losses of the Group as on 31 March 2024 is Rs 347,514.49 (2023- Rs 328,892.22) and the Group has a negative net worth of Rs. 135,752.36 (2023 – Rs 117,130.09) after adjusting accumulated losses.

The Group is expanding its business of managed services and sale of equipment and participating in system integration projects for various organization. The Group is expecting new business in future.

Further, as indicated in note 12(a)(i), during the previous year the Company has entered into an agreement for revision in the terms., As per the revised terms of the agreement, the parties have mutually decided to extend the redemption period by 5 years (currently from 10 years to 15 years) without any redemption premium for extended period. 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 (up to 20 years). The RPS holder, being a fellow subsidiary, has agreed that it will not initiate liquidation of SSTL for recovery of amount due on redemption of RPS.

Considering the Group's business projection for next year, liquidity position of the Group to settle the liabilities, these financials have been prepared using the going concern assumption.

2) Basis of preparation and material accounting policies

2.1) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian accounting standards ('Ind AS') read with Companies (Indian Accounting Standards) Rules, prescribed under Section 133 of the Companies Act, 2013, (the Act), as amended, and other relevant provisions of the Act.

2.2) Basis of preparation

The consolidated financial statements are prepared on historical cost basis, except for certain financial assets and liabilities that are measured at fair value, and defined benefit plans. 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, regardless of whether that price is directly observable or estimated using another valuation technique.

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

The consolidated 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 amounts unless stated otherwise.

Basis of Consolidation (Subsidiary)

Subsidiaries are entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of that entity.

Subsidiary is fully consolidated from the date on which control is transferred to the Company. The Company combines the financial statements of the parent and its subsidiary line by line adding together items of assets, liabilities, equity, income and expenses. Intra-company transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed, where necessary, to ensure consistency with the policies adopted by the Company.

2.3) Summary of material 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 in accordance with Schedule III, Division II of Companies Act, 2013 notified by the Ministry of Corporate Affairs.

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.

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) Functional Currency

The Group's financial statements are presented in INR, which is also the Group's functional currency and all amounts are rounded to the nearest million, except as stated and presentation otherwise

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.

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

(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.

(d) Revenue recognition

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.

Service revenues

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

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.

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products.

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

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

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.

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

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

PPE, other than land, are depreciated on a pro-rata basis on straight line method (SLM) using the rates arrived based on the useful lives of assets, which represents the period over which management expects to use these assets, as follows

	Management Estimated Useful Life (In Years)	Useful Life as per Schedule II (In Years)
Freehold land is not depreciated		
Plant and equipment	3 to 6	3 to 6
Computers	3	3
Furniture and fixtures	6	10
Office equipment	5	5
Vehicles	5	6

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 plant and equipment, furniture and fixtures and vehicles, in which 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.

Notes to Consolidated financial statements for the year ended 31 March 2024

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

(g) Assets Held for Sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through sale rather than through continuing use.

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, except if the delay is caused by event or circumstances beyond the Group's control.

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. A gain or loss of the non-current assets is recognised at the date of de-recognition.

(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, 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

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.

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 elect not to apply the requirements of Ind AS 116 to short term leases and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised 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, contingent liability, and contingent assets

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.

Provision for 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.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent Assets

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

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

(l) Retirement and other employee benefits

(a) 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.

(b) Post employment obligations

Defined contribution plans

Provident fund

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.

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 obligations

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 on the balance sheet

(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

a) 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 instruments 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.

b) Classification of Subsequent measurement

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

(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 recognised 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 financial assets which are not fair value through profit & loss and equity instruments recognized in OCI.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. It recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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.

Classification and 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.

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 recognised through the EIR recognised 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.

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

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.

Substantial modification in the terms of RPS are accounted for as an extinguishment of the original financial liability and the recognition of new financial liability at fair value.

(n) 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 consolidated 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.

(o) Inventories

Inventories are valued at the lower of cost and net realisable value. The cost is calculated on First-in-First-Out (FIFO). Cost of inventory comprises all cost of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and other cost incurred in bringing the inventories to their respective present location and condition. Net realisable value is the estimated selling price less estimated cost to sale.

(p) 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.

(q) 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.

Chief operating decision maker of the Group is Executive Committee of the Group, along with Board of Directors, who review the financials of the Group.

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

3) Property, plant and equipment

	Plant and equipment	Computers	Furniture and fixtures	Office equipment	Total	Capital work in progress
Cost						
At 31 March 2022	7.64	1.42	-	0.34	9.40	0.29
Additions	2.34	0.49	-	0.18	3.01	1.80
Disposals / Adjustments	-	(0.16)	-	(0.09)	(0.25)	(0.29)
At 31 March 2023	**9.98**	**1.75**	**-**	**0.43**	**12.16**	**1.80**
Additions	2.79	0.11	0.02	0.05	2.97	1.31
Disposals / Adjustments	(0.98)	(0.21)	-	-	(1.19)	(1.70)
At 31 March 2024	**11.79**	**1.65**	**0.02**	**0.48**	**13.94**	**1.41**
Accumulated Depreciation						
At 31 March 2022	(5.94)	(1.05)	-	(0.18)	(7.17)	-
Depreciation charge for the year	(0.86)	(0.26)	-	(0.06)	(1.18)	-
Eliminated on disposals of assets	-	0.16	-	0.09	0.25	-
At 31 March 2023	**(6.80)**	**(1.15)**	**-**	**(0.15)**	**(8.10)**	**-**
Depreciation charge for the year	(1.15)	(0.33)	(0.00)	(0.07)	(1.55)	-
Eliminated on disposals of assets	0.13	0.21	-	-	0.34	-
At 31 March 2024	**(7.82)**	**(1.27)**	(0.00)	**(0.22)**	(9.31)	**-**
Net Carrying Amount						
At 31 March 2023	3.18	0.60	-	0.28	4.06	1.80
At 31 March 2024	3.97	0.38	0.02	0.26	4.63	1.41

For details regarding charge on Property, Plant and Equipment refer note 12(a)(ii).

Capital work in progress ('CWIP') as at 31 March 2024 Rs 1.41 (31 March 2023 - Rs 1.80) represents Plant & Equipment.

Capital work in progress (CWIP) Ageing Schedule as on 31 March 2024.

Particulars	Amount in CWIP for the period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.31	0.10	-	-	1.41
Total Amount	**1.31**	**0.10**	**-**	**-**	**1.41**

Capital work in progress (CWIP) Ageing Schedule as on 31 March 2023.

Particulars	Amount in CWIP for the period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.80	-	-	-	1.80
Total Amount	**1.80**	**-**	**-**	**-**	**1.80**

There are no projects in CWIP, which are overdue or have exceeded its cost compared to its original plan as at 31 March 2024 and 31 March 2023.

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

a) Right of use assets

	Leasehold land	Office Premises	Total
Cost or deemed cost			
At 1 April 2022	1.06	-	1.06
Additions	-	24.36	24.36
Eliminated on disposals of assets	(0.52)	-	(0.52)
At 1 April 2023	**0.54**	**24.36**	**24.90**
Additions	-	-	-
Eliminated on disposals of assets	(0.54)	-	(0.54)
At 31 March 2024	**-**	**24.36**	**24.36**
Accumulated Depreciation			
At 1 April 2022	0.04	-	0.04
Depreciation charge during the year	0.01	1.62	1.63
Eliminated on disposals of assets	(0.02)	-	(0.02)
At 1 April 2023	**0.03**	**1.62**	**1.65**
Depreciation charge during the year	-	4.88	4.88
Eliminated on disposals of assets	(0.03)	-	(0.03)
At 31 March 2024	**-**	**6.50**	**6.50**
Net Carrying Amount			
At 31 March 2023	0.51	22.74	23.25
At 31 March 2024	-	17.86	17.86

Lease deed of all Right of use assets are held in the name of the Company.

b) Assets classified as held for sale

In the previous financial years, the Group 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.

The title deeds of all immovable properties (other than properties where the Group is the lessee and the lease agreement are duly executed in favor of lessee) are held in the name of the Company.

4. Other financial assets

	As at 31 March 2024	As at 31 March 2023
Non-Current		
Unsecured, considered good		
Security deposit	2.77	2.38
Bank deposits (with more than 12 months maturity)	-	0.45
Total non-current other financial assets	**2.77**	**2.83**
Current		
Unsecured, considered good		
Security deposit	4.99	2.92
Interest accrued on fixed deposits	63.45	37.17
Others Receivable	-	12.10
Bank deposits (Less than 12 months maturity)	-	8.09
Total current other financial assets	**68.44**	**60.28**

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

5. Other assets

	As at 31 March 2024	As at 31 March 2023
Non- current		
Unsecured, considered good		
Prepaid expenses	0.72	0.96
Balances with Government authorities (other than income tax)	103.51	104.37
Advance paid under protest		
Service tax / GST	57.23	24.53
Value added tax	5.05	5.05
Income Tax	18.62	18.69
Total non-current Other assets	**185.13**	**153.60**
Current		
Unsecured, considered good		
Advances for value to be received	1.75	0.04
Prepaid expenses	5.41	9.53
Balances with Government authorities (other than income tax)	19.92	21.56
Total current other assets	**27.08**	**31.13**

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

Particulars	Non-Current		Current	
	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Balance available -GST authority (gross)	122.08	122.94	19.92	21.56
Less: Provision	18.57	18.57	-	-
Balance available-GST authority (net)	**103.51**	**104.37**	**19.92**	**21.56**

6. Trade receivables

	As at 31 March 2024	As at 31 March 2023
Trade receivables	105.40	49.96
Less: Allowance for credit impaired	(19.48)	(19.48)
	85.92	**30.48**
Receivables from other related parties (refer note 30)	-	1.88
Less: Allowance for credit impaired	-	-
	-	**1.88**
Total trade receivables	**85.92**	**32.36**

	As at 31 March 2024	As at 31 March 2023
Considered good- secured	-	-
Considered good - unsecured	85.92	32.36
Credit impaired	19.48	19.48
	105.40	51.84
Less: Allowance for credit impaired	(19.48)	(19.48)
Total trade receivables	**85.92**	**32.36**

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

Trade receivables ageing schedule as of 31 March 2024:

Particulars			Outstanding for following periods					Total
		Unbilled due	Less than 6 Months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i)	Undisputed Trade receivables – considered good	-	31.86	54.05	0.01	0.00	-	85.92
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	2.17	3.78	13.53	19.48
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total		**-**	**31.86**	**54.05**	**2.18**	**3.78**	**13.53**	**105.40**
Less: Allowance for credit impaired								(19.48)
Total Amount								**85.92**

Trade receivables ageing schedule as of 31 March 2023:

Particulars			Outstanding for following periods					Total
		Unbilled due	Less than 6 Months	6 months -1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i)	Undisputed Trade receivables – considered good	-	27.28	5.08	0.00	-	-	32.36
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	2.17	3.78	9.80	3.73	19.48
(iv)	Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Total		**-**	**27.28**	**7.25**	**3.78**	**9.80**	**3.73**	**51.84**
Less: Allowance for credit impaired								(19.48)
Total Amount								**32.36**

7. Inventories
(At lower of cost & net relisable value)

	As at 31 March 2024	As at 31 March 2023
Traded goods (at cost)	-	-
Total Inventories	**-**	**-**

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 2024	As at 31 March 2023
Balance with banks:		
On current accounts	7.56	0.18
Deposits with original maturity of less than three months	-	24.50
Total cash and cash equivalents	**7.56**	**24.68**

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

9. Other bank balances

	As at 31 March 2024	As at 31 March 2023
Deposits with maturity of more than three months but less than twelve months	8.46	3.02
Margin money deposits	1,770.26	1,808.13
Total other bank balances	**1,778.72**	**1,811.15**

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 2022	19,000.00	1,90,000.00	6,000.00	60,000.00
Increase/(Decrease) during the year	-	-	-	-
At 31 March 2023	19,000.00	1,90,000.00	6,000.00	60,000.00
Increase/(Decrease) during the year	-	-		
At 31 March 2024	19,000.00	1,90,000.00	6,000.00	60,000.00

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.

b) Issued and subscribed equity share capital

	No. in millions	Amount
Equity shares of Rs 10 each issued, subscribed and fully paid		
At 31 March 2022	2,394.07	23,940.66
At 31 March 2023	2,394.07	23,940.66
At 31 March 2024	2,394.07	23,940.66

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 2024	As at 31 March 2023
SISTEMA PJSFC, holding company		
1,810,289,400 [31 March 2023: 1,810,289,400] equity shares of Rs 10 each	18,102.89	18,102.89

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

Name of the Shareholders	As at 31 March 2024		As at 31 March 2023	
	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	1,810.29	75.62%	1,810.29	75.62%
Russian Federation	547.31	22.86%	547.31	22.86%

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

e) Details of shares held by promoters in the Company

As at 31 March 2024

Shares held by promoters at the end of the year				% Change during the year
S. No	**Promoter name**	**No. of Shares**	**% of total shares**	
1	Sistema PJSFC	1,810.29	75.62%	No
Total		**1,810.29**		

As at 31 March 2023

Shares held by promoters at the end of the year				% Change during the year
S. No	**Promoter name**	**No. of Shares**	**% of total shares**	
1	Sistema PJSFC	1,810.29	75.62%	No
Total		**1,810.29**		

11. Other equity

Particulars	As at 31 March 2022	Profit/ (loss) for the year	OCI	Amendment in Redemption terms (refer note 13(a)(i))	As at 31 March 2023	Profit/ (loss) for the year	OCI	As at 31 March 2024
Equity component of Redemable Preference Shares	60,379.32	-	-	1,20,672.29	1,81,051.61	-	-	1,81,051.61
Capital reserve	6,803.97	-	-		6,803.97	-	-	6,803.97
Retained earnings	(3,11,474.30)	(17,417.46)	(0.46)		(3,28,892.22)	(18,622.14)	(0.13)	(3,47,514.49)
Investment revaluation reserve	(34.11)	-	-		(34.11)	-	-	(34.11)
Total	**(2,44,325.12)**	**(17,417.46)**	**(0.46)**	**1,20,672.29**	**(1,41,070.75)**	**(18,622.14)**	**(0.13)**	**(1,59,693.02)**

Nature of reserves

a) **Equity component of Non-Cumulative Non-convertible Redeemable Preference Shares ('RPS'):-** As per Ind AS 109/32, 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 2024 (14,169,400 of Rs. 10 each (total issued value Rs 141.69)) are classified as financial liability as well as other equity (refer note 12(a)(i)).

Further as per Ind-AS 109/32, during the previous financial year the Company has treated amendment in RPS term as an extinguishment of existing liability and recognition of new liability at fair value. Accordingly, the remaining portion of the liability i.e. the carrying amount of the current RPS liability less fair value of new instrument amounting to Rs. Nil (2023 – Rs. 120,672.29) have been recorded as other equity contribution in the books

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) **Capital reserve: -** 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.

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

12 Borrowings

	Effective rate of interest	Maturity date	Foot note	As at 31 March 2024	As at 31 March 2023
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)	15.71% to 16.01%	2027-2032	12 (a)	1,36,770.21	1,18,104.58
Total non-current borrowings	(Prior to RPS amendment - 11.84% to 14.86%)			1,36,770.21	1,18,104.58
Less: Amount clubbed under "Other current financial liabilities"				-	-
Net non-current borrowings				**1,36,770.21**	**1,18,104.58**
Aggregated secured loans				-	-
Aggregated unsecured loans				1,36,770.21	1,18,104.58

i) 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		
43.90	43,856.10	2012-13	9.77%
16.10	16,083.90	2012-13	9.63%
14.79	14,773.21	2013-14	9.63%
4.07	4,070.23	2013-14	9.80%
15.47	15,457.23	2013-14	9.87%
4.31	4,305.39	2014-15	9.87%
21.92	21,898.08	2015-16	9.95%
12.25	12,232.76	2016-17	9.89%
2.57	2,568.43	2016-17	9.87%
2.03	2,024.77	2016-17	9.76%
1.91	1,911.09	2017-18	9.76%
2.37	2,371.13	2017-18	9.65%
141.69	**1,41,552.32**		

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: Further, any variation (extension or reduction) of the redemption period of the RPS is subject to mutual agreement of both parties which shall not exceed 20 years from the date of issue.

As per Ind AS 109/ 32, 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.141,694.00 (including securities premium) till 31 March 2024. During the previous financial year the year, the parties entered into RPS Amendment agreement on 18 May 2022 and have mutually decided to extend the redemption period by 5 years (currently from 10 years to 15 years) further no redemption premium shall accrue or be payable for the extension period (i.e. 5 years).

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

As per Ind AS 109 and Ind AS 32, during the previous financial year, due to substantial changes in cash flows on account of extension of redemption period, the Company has extinguished the existing RPS liability and recognized a new instrument at fair value as on the date of modification. The remaining portion of the liability i.e. the carrying amount of the current RPS liability less fair value of new instrument amounting to Rs. Nil (2023 - Rs.120,672.29) have been recorded as other equity contribution in the books.

ii) Loan from fellow subsidiary

On 25 October 2018, the fellow subsidiary had sanctioned a short-term loan facility ("Facility") of Rs. 1,300.00 to the Company. During the current financial year, the amount of loan facility has been reduced to Rs. 400.00 and the tenure has been further extended upto 24 October 2024.

The current outstanding under the facility is Rs. Nil (2023 Rs. Nil).

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.

c) Lease Liability

The Company has lease contract for office premises, which has a lease term of 5 years. The Group also has certain short term leases of offices with lease terms of 1 years or less.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	As at 31 March 2024	As at 31 March 2023
As at 1 April	23.27	-
Additions	-	24.36
Accretion of interest	2.12	0.79
Payments	(5.72)	(1.88)
As at 31 March	**19.67**	**23.27**
Current	4.28	3.60
Non-current	15.39	19.67

The effective interest rate for lease liabilities is 10%, with maturity between 2022-2027

The following are the amounts recognised in profit and loss.

	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation expense of right-of-use assets	4.89	1.62
Interest expense on lease liabilities	2.12	0.79
Expenses relating to short-term leases (Included other expenses)	0.42	7.70
Total amount recognised in profit or loss	**7.42**	**10.10**

The Group had total cash outflows for leases of Rs. 5.72 in 31 March 2024 (2023 - Rs. 1.88). The Group also had non-cash additions to right-of-use assets and lease liabilities of Rs. Nil in 31 March 2024 (2023 - Rs. 24.36). The future cash outflows relating to leases are disclosed below:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-March-24						
Lease liabilities	-	1.01	3.27	15.39	-	19.67

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31-March-23						
Lease liabilities	-	0.84	2.76	19.67	-	23.27

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

13 Provision

	Provision for employee benefits- Compensated absences (refer note 29)	Provision for employee benefits- Gratuity (refer note 29)	Provision for contingencies	Total
At 31 March 2022	9.45	4.01	888.35	901.81
Additional provision during the year	1.59	0.79	-	2.38
Interest accretion	0.68	0.29	-	0.97
Provision utilised/adjusted during the year	(3.59)	(0.97)	250.00	245.44
At 31 March 2023	8.13	4.12	1,138.35	1,150.60
Additional provision during the year	1.57	0.82	-	2.39
Interest accretion	0.60	0.30	-	0.90
Provision utilised/adjusted during the year	(1.26)	(0.35)	-	(1.61)
At 31 March 2024	**9.04**	**4.89**	**1,138.35**	**1,152.28**
Current Year				
Total current	1.44	0.74	1,138.35	1,140.53
Total non-current	7.60	4.15	-	11.75
Previous Year				
Total current	1.31	0.61	1,138.35	1,140.27
Total non-current	6.82	3.51	-	10.33

14 Trade payables

	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises	1.07	0.18
Total outstanding dues of trade payables other than micro enterprises and small enterprises	10.29	14.17
Total	**11.36**	**14.35**

Trade payable ageing schedule as of 31 March 2024:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1.07	-	-	-	1.07
(ii) Others	10.17	-	-	0.12	10.29
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total Amount	**11.24**	**-**	**-**	**0.12**	**11.36**

Trade payable ageing schedule as of 31 March 2023:

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.18	-	-	-	0.18
(ii) Others	8.91	-	0.65	4.61	14.17
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
Total Amount	**9.09**	**-**	**0.65**	**4.61**	**14.35**

According to the records available with the Group, dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, during the year is Rs 1.07 (2023 - Rs 0.18). Further no interest has been paid or is payable to such parties under the said Act in the current year and previous year. Accordingly, no disclosures in such respect have been given.

Dues to Micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

15 Other current financial liabilities

	As at 31 March 2024	As at 31 March 2023
Other current financial liabilities at amortised cost		
Sundry creditors for capital goods	6.92	6.92
Total	**6.92**	**6.92**

16 Other current liabilities

	As at 31 March 2024	As at 31 March 2023
Statutory dues	2.32	3.28
Other liability	-	5.40
Total	**2.32**	**8.68**

17 Revenue from operations (net)

	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of Goods	51.92	11.92
Service revenue	49.76	51.83
Total	**101.68**	**63.75**

Disclosure under Ind As - 115 - Revenue from contracts with customers

(a) Disaggregate revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers and reconciliation to the consolidated statement of profit and loss

	For the year ended 31 March 2024	For the year ended 31 March 2023
(i) Geographical market		
India	101.68	63.75
Outside India	-	-
Total revenue from contract with customers	**101.68**	**63.75**

(ii) Timing of revenue recognitions

	Services transferred at a point in time		Services transferred over time	
Particulars	**For the year ended 31 March 2024**	**For the year ended 31 March 2023**	**For the year ended 31 March 2024**	**For the year ended 31 March 2023**
Managed Services and Project Revenue	55.03	14.56	46.65	49.19

(b) Contract balances

Particulars	**For the year ended 31 March 2024**	**For the year ended 31 March 2023**
Contract assets	-	-
Contract liabilities	-	-

Notes:

The contract assets are in form of receivables, which are included in income receivable, primarily relate to the Groups rights to consideration for services given to the customers but not billed at the reporting date. The contract assets are transferred to receivables when it will be billed subsequently.

The contract liabilities are in form advance received from customer for which the obligation of supply of goods/service is not completed at the year end.

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

(c) Movement in contract assets and contract liabilities

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Opening balance of contract liabilities	-	-
Addition in balance of contract liabilities for current year	-	-
Amount of revenue recognized against opening contract liabilities	-	-
Closing balance of contract liabilities	-	-
Opening balance of contract assets	-	4.73
Addition in balance of contract assets for current year	-	-
Amount of billing recognized against opening contract assets	-	-4.73
Closing balance of contract assets	-	-

18 Other income

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income on financial assets carried at amortized cost :		
- Deposit with banks and others	128.66	79.23
-Other financial assets	0.22	0.07
Interest on Income Tax Refund	0.15	17.47
Other non-operating income		
-Profit on sale of property, plant and equipment(net)	20.06	9.80
-Liabilities/ provision no longer required written back	4.92	0.47
-Net gain from foreign currency transactions and translation	-	0.04
-Other non-operating income	5.30	5.21
Total	**159.31**	**112.29**

19 Changes in inventories of Stock -in- Trade

	For the year ended 31 March 2024	For the year ended 31 March 2023
Inventories at the end of the year		
Stock -in- Trade	-	-
	-	-
Inventories at the beginning of the year		
Stock -in- Trade	-	0.12
	-	0.12
	-	**0.12**

20 Employee benefits expense

	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, wages and bonus	86.32	93.83
Contribution to provident and other funds	3.61	3.81
Staff welfare expenses	1.96	1.71
Total	**91.89**	**99.35**

21 Finance cost

	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on borrowings	18,665.63	17,906.24
Other interest expenses	2.12	0.85
Total interest expenses	**18,667.75**	**17,907.09**
Bank charges and commission	16.99	36.89
Total	18,684.74	17,943.98

Notes to Consolidated financial statements for the year ended 31 March 2024

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

22 Other expenses

	For the year ended 31 March 2024	For the year ended 31 March 2023
Power and fuel	0.93	0.27
Rent**	0.73	7.78
Insurance	0.04	-
Lease line expenses	0.43	0.19
Network managed services	9.48	11.43
Repair & Maintenance Building & Others	3.37	2.09
Advertisment and marketing expenses	0.45	0.20
Travelling and conveyance expenses	3.69	5.40
IT support and services expenses	0.96	0.91
Legal and professional fees	33.50	50.49
Rates and taxes	1.38	0.45
Auditors' remuneration *	1.38	2.38
Allowances for credit losses/ advances	0.90	7.99
Net loss on foreign currency transaction and translation	0.02	-
Miscelleneous expenses	5.17	5.60
	62.43	**95.18**

*** Payment to Auditors**

	For the year ended 31 March 2024	For the year ended 31 March 2023
As Auditor:		
Audit fee	1.35	2.26
Reimbursement of expenses	0.03	0.12
	1.38	**2.38**

** 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 2024 and 31 March 2023

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 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 2024	For the year ended 31 March 2023
Loss attributable to equity shareholders of the Group	(18,622.14)	(17,417.46)
Loss attributable to equity shareholders of the Group (A)	**(18,622.14)**	**(17,417.46)**
Weighted average number of equity shares in calculating basic EPS (No. in millions) (B)	2,394.07	2,394.07
Weighted average number of equity shares in calculating diluted EPS (No. in millions) (C)	2,394.07	2,394.07
Loss per equity share in Rs		
Earning per share		
Basic earnings per share (A/B)	(7.78)	(7.28)
Diluted earnings per share (A/C)	(7.78)	(7.28)

Notes to Consolidated financial statements for the year ended 31 March 2024

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

24 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. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements pertain to:

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.

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 business projections, 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 28.

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

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 25 for further disclosures.

As per Ind AS 109/32, 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 is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the Balance Sheet date. Significant judgement is made when evaluating, among other factors, the probability of unfavorable outcome and the ability to make a reasonable estimate of the amount of potential loss. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates (also refer note 29).

Leases

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 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 revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

26 Fair values

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

	Measured at amortised Cost*	
	As at 31 March 2024	**As at 31 March 2023**
Financial assets		
Security Deposits	7.76	5.30
Trade receivables	85.92	32.36
Cash and cash equivalents	7.56	24.68
Other bank balances	1,778.72	1,811.15
Other financial assets	63.45	57.81
Total	**1,943.41**	**1,931.30**
Financial liabilities		
Non- current borrowings	1,36,770.21	1,18,104.58
Lease liabilities	19.67	23.27
Trade payables	11.36	14.35
Other financial liabilities	6.92	6.92
Total	**1,36,808.16**	**1,18,149.12**

* 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.

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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.

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

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

			Fair value	
	Carrying Value	**Level 1**	**Level 2**	**Level 3**
At 31 March 2024				
Financial assets	1,943.41	-	-	-
Financial liability	1,36,808.16	-	-	-
At 31 March 2023				
Financial assets	1,931.30	-	-	-
Financial liability	1,18,149.12	-	-	-

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

26 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 2024.

The Group has Rs Nil borrowings as at 31 March 2024 (2023: Rs Nil). Undrawn borrowing available as at 31 March 2024 is Rs 400.00 (2023: Rs 1,300.00).

27 Derivative instruments

The Group 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 Group 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 2024

		Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income						
	01-Apr-23	**Service cost**	**Net interest expense**	**Sub-total included in profit or loss (Note 21)**	**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-24**
Defined benefit obligation	(4.12)	(0.82)	(0.30)	(1.12)	0.48	-	-	(0.04)	(0.09)	(0.13)	-	(4.89)
Benefit liability	**(4.12)**	**(0.82)**	**(0.30)**	**(1.12)**	**0.48**	**-**	**-**	**(0.04)**	**(0.09)**	**(0.13)**	**-**	**(4.89)**

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Changes in the defined benefit obligation and fair value of plan assets as at 31 March 2023

	Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income						
	01-Apr-22	Service cost	Net interest expense	Sub-total included in profit or loss (Note 21)	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-23
Defined benefit obligation	(4.01)	(0.79)	(0.28)	(1.07)	1.43	-	(0.15)	0.04	(0.35)	(0.46)	-	(4.12)
Benefit liability	**(4.01)**	**(0.79)**	**(0.28)**	**(1.07)**	**1.43**	**-**	**(0.15)**	**0.04**	**(0.35)**	**(0.46)**	**-**	**(4.12)**

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

Particulars	**31 March 2024**	**31 March 2023**
Discounting rate	7.21%	7.35%
Future salary increase	5.00%	5.00%
Expected rate of return on plan assets	Nil	Nil
Retirement age (years)	60	60
Mortality table	100% of IALM (2012 - 14)	
Ages	**Withdrawal Rate (%)**	
Up to 30 years	-	-
From 31 to 44 years	8.00	8.00
Above 44 years	8.00	4.00

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 2024 is as shown below:

Assumptions	**Discount rate**		**Future salary increases**	
Senstivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined obligation	(0.15)	0.15	0.16	(0.15)

A quantitative sensitivity analysis for significant assumption as at 31 March 2023 is as shown below:

Assumptions	**Discount rate**		**Future salary increases**	
Senstivity level	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined obligation	(0.13)	0.14	(0.14)	0.13

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 recognized in salaries, wages and bonus for the year ended 31 March 2024 and 31 March 2022 are as follow:

Particulars	**31 March 2024**	**31 March 2023**
Current service cost	1.57	1.59
Interest cost	0.60	0.68
Acturial (gain) / loss	1.41	0.57
Net Cost	**3.58**	**2.84**

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The principal assumptions used in determining obligations are shown below:

Particulars	31 March 2024	31 March 2023
Discounting rate	7.21%	7.35%
Future salary increase	5.00%	5.00%
Retirement age (years)	60	60
Mortality table	100% of IALM (2012 - 14)	
Ages	**Withdrawal Rate (%)**	
Up to 30 years	-	-
From 31 to 44 years	8.00	8.00
Above 44 years	8.00	4.00

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 2024	31 March 2023
Change in Projected Benefit Obligation (PBO)		
PBO at beginning of year	8.13	9.45
Current service cost	1.57	1.59
Interest cost	0.60	0.68
Benefits paid	(2.67)	(4.16)
Acturial (gain) / loss	1.41	0.57
Projected benefit obligation at year end	**9.04**	**8.13**

30 Commitments and Contingent Liabilities

	As at 31 March 2024	As at 31 March 2023
Commitments		
Capital Commitments	0.16	0.52
Contingent Liabilities		
Matter under litigation		
Bank Guarantee related to AGR matter (refer note 'b' below)	4,508.00	4,508.00
Value added tax	86.70	66.93
Service tax/GST	1,923.31	1,879.87
Others	251.41	249.24
Total	**6,769.58**	**6,704.56**

Based on the discussion with consultants/advisors, the management reasonably expect that these legal actions, when ultimately concluded and determined, will not have a material and adverse effect on the Group's operations or financial condition. As a result, the Group is not carrying provisions on pending cases in the books of account.

a) Provident fund

In view of the 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.

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, penalty thereon for various financial years on account of difference in interpretation of Adjusted Gross Revenue ("AGR") and other assessment related matters.

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In its Order dated 23 April 2015, the Hon'ble TDSAT set aside all the demands under dispute and directed DoT to rework demands for the license fees and SUC payable by the Company as per 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 setting aside the TDSAT judgement and upholding the view of the DoT in respect of the definition of AGR ('AGR Judgement').

Pursuant to the SCHEME and DoT letter dated 20 October 2017 approving the SCHEME, the AGR liability upto Rs. 2,214.00 for 21 licenses quashed by Hon'ble Supreme Court vide its judgment & order dated 02 February 2012 and complete AGR liability for 9 operating circles, has been transferred to RCOM under the SCHEME. The Company has already informed DoT that the directions given by the Supreme Court in the Judgment dated 24 October 2019 are binding on RCOM and therefore DoT should recover the AGR dues from RCOM in terms of its own approval of SCHEME.

As per the latest affidavit dated 09 April 2024 filed by the DoT in compliance of the order of the court, DoT has reproduced a table wherein DoT has reiterated / confirmed the amounts of total dues of RCOM /SSTL towards licensee and SUC. During the year the Company has filed curative petition before the Hon'ble Supreme Court to set aside the judgement, which is pending adjudication.

The Company had outstanding remaining bank guarantees of Rs 4,508.00 as on date of approval with DoT as per license's conditions. The Company filed a petition before TDSAT seeking release of balance bank guarantees amounting to Rs 4,508.00. The TDSAT vide final judgment & order dated 14 February 2019 partly allowed the petition and directed the DOT to release bank guarantees held by it in excess of Rs 2402.60.

However, DOT has filed an appeal before the Supreme Court against the judgment. The Company has also filed an appeal against the judgment before the Supreme Court in respect of Bank guarantees for Rs 2402.60 which have been directed by TDSAT to be retained by DoT. The said appeals have been admitted and the same are pending adjudication before the Hon'ble Supreme Court. During the current year, the Hon'ble Supreme Court permitted DOT to file additional affidavit. The said guarantees of Rs. 4,508.00 furnished by the Company have been disclosed as contingent liability.

The Company strongly believes, supported by the legal opinion that, the Company has transferred AGR liabilities of Rs 2,214.00 to RCOM in terms of DoT's own approval of SCHEME. The AGR dues liability transferred as per SCHEME cannot be enforced against the Company and only RCOM is liable to pay such AGR liability to DoT by operation of law. The Company continued to carry the provision of liabilities of Rs 863.16 recognized in earlier years and the Company expects no additional financial liability in this matter.

Other Disputed matters not included above.

c) One Time Spectrum charges ('OTSC')

During 2014-15, DoT issued Show Cause Notice of Rs 6,369.00 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 6,369.00 and interest thereon of Rs 1,836.24. The Company 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 5,849.40 (excluding interest) and interest thereon of Rs 3,415.69 and further revised the demand, vide its letter dated 13 June 2017, to Rs 5,849.40 and interest thereon of Rs 3,689.20. 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. 1,077.78 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 140.00. The Company has filed a petition in Hon'ble TDSAT to challenge the demand. Hon'ble TDSAT has stayed the demand vide order dated 22 December 2016. Based on legal advisor's assessment, the Company does not foresee any further liability.

Further, the Company received the demand notices from DoT of Rs 653.00 in 2010/2011 for LD for non-fulfillment of roll out obligations under the License and the Company has deposited Rs. 595.40 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

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the revised demand notices of Rs. 791.00 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 financial year 2017-18 the Company has transferred the liability for this dispute to RCOM as per SCHEME.

e) Claims from IP (Infrastructure provider) Vendors

i. Certain passive infrastructure vendors ('the Vendors') raised claims amounting to Rs 1,839.45 (2022 - Rs 1,839.45) 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. 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 and allowed the claim of Vendor for outstanding amount The Vendors/Company subsequently filed appeals before the Hon'ble Delhi High Court challenging the orders passed by the Arbitral Tribunals.

During the current year, in one of the matters related to premature termination of service contracts, the Hon'ble Delhi High Court dismissed the petition filed by a vendor against the arbitral award. The Vendor has challenged the order before the Division Bench of the Hon'ble High Court. In the other matters related to premature termination and outstanding dues, the appeals are still pending before the Hon'ble High Court.

During the financial year 2017-18 the Company has transferred the liability for above dispute to RCOM as per SCHEME.

ii. A passive infrastructure Vendor raised claims amounting to Rs 1,287.24 (2023 - Rs 1,287.24) (which comprises of Rs 402.30 towards tenancy obligations and Rs 884.94 towards outstanding amounts) and interest thereon due from the Company as on the date of transfer of its telecom undertaking to RCOM under the SCHEME. The above dispute was referred to the Arbitral Tribunals for adjudication, by the Hon'ble Delhi High Court. The Tribunal has pronounced the award on 15 December 2023, dismissing the claim for Rs 402.30 and allowed the other claim of Rs 884.94 with interest amounting to Rs 596.86 aggregating to Rs 1481.80, disregarding the SCHEME.

The Company has challenged the award before the Delhi High Court and the matter is pending for adjudication. However, Vendor has filed petition before the Delhi High Court against the Company seeking the security of the claim amount.

The Company believes, based on a legal opinion, that, with the SCHEME coming into force, all liabilities of the transferred undertaking including the subject claims stands transferred to/vested in RCOM by operation of Law and no obligation/ liability would arise on the Company.

31 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

(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 - Resigned 19-Apr-2022 - Vikram Kaushik (Independent Director) - Preeti Singh (Independent Director - Appointed on 20-Apr-2022)

(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

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Transaction with related parties

Particulars	Year	Nature of relationship								
		Holding Co	Fellow Subsidiaries				KMP**			
		Sistema PJSFC	Sistema Asia Capital Pte. Ltd.	Sistema Asia Pte. Ltd.	INSITEL Services Private Limited	SACAP India Private Limited	Bharat V Patel	Vikram Kaushik	Preeti Singh	Neera Sharma
Loan repayment	2023-24	-	-	-	-	-	-	-	-	-
	2022-23	-	-	-	118.00	-	-	-	-	-
Loan taken	2023-24	-	-	-	-	-	-	-	-	-
	2022-23	-	-	-	118.00	-	-	-	-	-
Managerial remuneration	2023-24	-	-	-	-	-	-	-	-	20.15
	2022-23	-	-	-	-	-	-	-	-	20.80
Interest on loan (refer note 2(m) and 12(a)(i))	2023-24	-	-	-	18,665.63	-	-	-	-	-
	2022-23	-	-	-	17,906.24	-	-	-	-	-
Shared Service centre fee/ Support Service fee (Income)	2023-24	-	3.37	0.83	-	2.45	-	-	-	-
	2022-23	-	6.26	2.05	-	3.48	-	-	-	-
Director's sitting fees	2023-24	-	-	-	-	-	-	0.95	0.90	-
	2022-23	-	-	-	-	-	0.30	1.20	0.80	-
Allowance for credit losses on trade receivables written back	2023-24	-	-	-	-	-	-	-	-	-
	2022-23	-	-	-	-	-	-	-	-	-

During the current and previous financial year, the Company has not issued any RPS. Interest on loan Rs. 18,665.63 (2023 Rs. 17,906.24) (INSITEL Services Private Limited) also consist of interest provided on borrowing part of Redeemable Preference Shares.

Balance Outstanding

Particulars	Year	Nature of relationship		
		Fellow Subsidiaries		
		INSITEL Services Private Limited	Sistema Asia Capital Pte. Ltd.	Sistema Asia Pte. Ltd.
Redeemable Preference Share (refer note 2(m) and 12(a)(i))	31-Mar-2024	1,36,770.21	-	-
	31-Mar-2023	1,18,104.58	-	-
Amount recoverable/ Trade receivable	31-Mar-2024	-	-	-
	31-Mar-2023	-	1.47	0.41
Allowance for credit losses on trade receivables	31-Mar-2024	-	-	-
	31-Mar-2023	-	-	-

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 (fellow subsidiary of the Company) has given the security to the bank for issuance of Bank Guarantee of Rs. 2,818.45 (2023: Rs. 3,136.83) The interest on liability portion of RPS is net of other equity.

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31 Financial risk management objectives and policies

The Group's principal financial liabilities 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 security deposit, 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.

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 investments are primarily in bank deposits for short duration. Hence, the Group is not significantly exposed to interest rate risk.

The Group does not have significant exposure to the risk of changes in market interest rate as the Group's debt obligations is at fixed rate.

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 Nil (USD Nil) [31 March 2023: Rs 1.88 (USD 22,900)]. 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 2024	
INR appreciates 5% against USD	-
INR depreciates 5% against USD	-
For the year ended 31 March 2023	
INR appreciates 5% against USD	0.09
INR depreciates 5% against USD	(0.09)

(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 trade receivables, cash and cash equivalents, deposits with banks and other financial instruments. Credit risk is managed by Group's established policy, procedures and control relating to customer credit risk management.

Customer 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.

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Investment of surplus funds are made generally in fixed deposits.

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

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Particulars	Note	As at 31 March 2024	As at 31 March 2023
Security deposits (current and non - current)	4	7.76	5.30
Trade receivables	6	85.92	32.36
Other financial assets	4	63.45	57.81
Total		**157.13**	**95.47**

The ageing of financial assets at the reporting date was:

Particulars	As at 31 March 2024	As at 31 March 2023
Not past due	68.23	51.00
Past due 0-30 days	16.71	27.85
Past due 31-90 days	9.61	7.00
Past due 90 days-one year	62.57	9.62
More than one year	0.01	-
Total	**157.13**	**95.47**

Movement of allowance for financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Opening allowance for financial assets	19.48	11.49
Add: Addition in allowances during the year	-	7.99
Closing allowance for impairment in financial assets	**19.48**	**19.48**

(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 as at 31 March 2024:

	Carrying amount	Contractual cash flows	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	11.36	11.36	-	11.36	-	-	-	11.36
Borrowings								
Non Cumulative Non-convertible Redeemable Preference Shares	1,36,770.21	2,80,441.44	-	-	-	1,86,234.81	94,206.63	2,80,441.44
Lease Liability	19.67	23.50	-	1.48	4.53	17.49	-	23.50
Other financial liabilities								
Sundry creditors for capital goods	6.92	6.92	-	6.92	-	-	-	6.92
Deposits from customers								-
	1,36,808.16	**2,80,483.22**	**-**	**19.76**	**4.53**	**1,86,252.30**	**94,206.63**	**2,80,483.22**

The following are the contractual maturities of the financial liabilities, including estimated interest payments as at 31 March 2023:

	Carrying amount	Contractual cash flows	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Trade payables	14.35	14.35	-	14.35	-	-	-	14.35
Borrowings								
Non Cumulative Non-convertible Redeemable Preference Shares	1,18,104.58	2,80,441.44	-	-	-	1,18,394.60	1,62,046.84	2,80,441.44
Lease Liability	23.27	29.22	-	1.41	4.31	23.50	-	29.22
Other financial liabilities								
Sundry creditors for capital goods	6.92	6.92	-	6.92	-	-	-	6.92
	1,18,149.12	**2,80,491.93**	**-**	**22.68**	**4.31**	**1,18,418.10**	**1,62,046.84**	**2,80,491.93**

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

32 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.

33 Exceptional Items

Exceptional items represent reversal of provisions amounting to Rs. Nil (2023 - Rs.553.45) which the Company had created in year 2017 to meet contingencies.

34 Event after the reporting period

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. There are no significant events 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 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.

36 Information with respect to 100% subsidiary as at 31 March 2024

Particulars	**SISL**
Share capital	7.50
Reserves and surplus	(37.81)
Total assets	0.32
Total liabilities	30.64
Turnover (total revenue)	0.38
Loss before taxation	(0.43)
Loss after taxation	(0.43)

37 The Group 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 Group.

39 Segment reporting

The Group 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 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 Ratio Analysis and its elements

Ratio	Numerator	Denominator	31-Mar-24	31-Mar-23	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.71	1.70	1.11%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	(1.01)	(1.01)	-0.09%	
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	0.00	0.03	-90.24%	Due to increase in RPS Interest in current year
Return on Equity Ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	(0.15)	(0.10)	42.70%	Due to increase in RPS Interest in current year
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	-	93.72	-100.00%	Due to nil inventory in current year

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

Ratio	Numerator	Denominator	31-Mar-24	31-Mar-23	% change	Reason for variance
Trade Receivable Turnover Ratio	Revenue from Operations	Average Trade Receivable	1.72	1.15	49.30%	Due to increase in revenue from operations during the current year
Trade Payable Turnover Ratio	Expenses other than Employee Benefit Expense, Finance Cost, Depreciation and Provision for doubtful debts and advances	Average Trade Payables	7.72	0.22	3339.99%	Impact of old provision written back in previous years
Net Capital Turnover Ratio	Revenue from Operations	Average Working Capital	0.12	0.12	4.75%	
Net Profit ratio	Net Profit	Revenue from Operations	(183.15)	(273.22)	-32.97%	Due to increase in revenue from operations during the current year
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.06	(0.03)	-319.37%	Due to increase in revenue from operations during the current year

Ratios for variances have been explained for change by more than 25% as compared to the previous year.

41 On 02 November 2023, U. S. Department of the Treasury has imposed the OFAC ("Office of Foreign Asset control") Sanctions on Sistema PJSFC (Sistema) (holding company). Pursuant to E.O.14024, OFAC also designated the companies for being owned and controlled by or having acted or purported to act for or on behalf of directly or indirectly, by Sistema. Sanctions are binding only on US citizens and permanent residents wherever located; legal entities incorporated within the US, including their foreign branches. Though there is no direct impact of sanction on the operations of the Group, however the revenue from shared service center fee from fellow subsidiaries has been impacted. The holding company is taking necessary specific license / exemptions to mitigate the impact of sanctions.

42 Recent accounting developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

43 Details of due of Income-Tax, Sales Tax, Value added tax and Service tax which have not been deposited as on 31 March 2024 on 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	70.36	70.12	Hon'ble High Court
2	Orissa Value Added Tax Act.	VAT	2013-2014	16.34	16.34	The Commissioner of CT & GST, Orissa
3	Finance Act, 1994 (Service tax provisions), Goods and Services Tax Act, 2017	Service Tax/GST	2008-09, 2009-10, 2010-11 & 2013-14, 2016-17, 2017-18	2,049.19	1,923.31	Custom, Excise, Service Tax Appellate Tribunal, GST Authority

44 Additional regulatory information required by Schedule III

i. No proceedings have been initiated or pending against the Group under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made there under:

ii. The Group is not a declared willful defaulter by any bank or financial Institution or government or any government authority.

iii. The Group does not have any borrowings from banks and financial institutions that are secured against current assets during the year.

Notes to Consolidated financial statements for the year ended 31 March 2024
(All amounts in Rupees million, except per share amounts unless stated otherwise)

iv. The Group has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

v. The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

vi. The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vii. The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

viii. There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

x. The Group has not revalued its Property, Plant and Equipment during the current or previous year.

xi. During the previous year the Company received a no objection certificate (NOC) from a lender for satisfaction of charge of Rs. 1,750.00 on 20 March 2023, which was filed with Ministry of Corporate Affairs on 25 April 2023, beyond the stipulated period due to technical glitches at MCA portal. Further, SISL had created a charge of Rs. 10 by way of deed of hypothecation in the year 2000, which is pending for satisfaction due to non-issuance of NOC from the lender. SISL is following up with the lender for issuance of NOC for filing with Ministry of Corporate Affaires for satisfaction of charge. However, the said limit was not availed by the company.

xii. The Group does not have any borrowings from banks and financial institutions as at the balance sheet date.

xiii. The Group has not granted any loans or advances in the nature of loans to promoters, Directors, KMPs and the related parties during the financial year.

45 Previous year figures have been regrouped and reclassified to make them comparable, wherever considered necessary.

For and on behalf of the Board of Directors of
Sistema Smart Technologies Limited

Sergey Savchenko Director DIN - 02891905 Place : Gurugram Date : 15 July 2024	**Neera Sharma** Whole Time Director & CEO DIN - 00975300 Place : Gurugram Date : 15 July 2024
Vinay Mittal Chief Financial Officer Place : Gurugram Date : 15 July 2024	**Khushbu Pawar** Company Secretary Place : Gurugram Date : 15 July 2024

NOTICE OF 29TH ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting of the members of Sistema Smart Technologies Limited will be held at 12:30 P.M. IST on Monday, the 2nd day of September, 2024 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the financial year ended on 31st March 2024 together with the Directors' Report and the Auditors' Report thereon.
2. To receive, consider and adopt the Consolidated Audited Financial Statements of the Company for the financial year ended on 31st March 2024 together with the Auditors' Report thereon.
3. To appoint a Director in place of Mr. Sergey Savchenko (DIN: 02891905) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Re-Appointment of Mrs. Neera Sharma as 'CEO' (Whole Time Director) and approving the financial terms of appointment.**

   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 Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactments thereof, for time being in force) approval be and is hereby accorded for the re-appointment of Mrs. Neera Sharma (DIN 00975300) as Whole Time Director (designated as Chief Executive Officer) of the Company for a period of two (2) years with effect from November 1, 2024 up to October 31, 2026, on the terms and conditions as set out herein below be and is approved:

Sr. no	DESCRIPTION	AMOUNT IN INR
1.	FIXED ANNUAL SALARY (GROSS)	INR 9,600,713
2.	PERFORMANCE LINKED INCENTIVE	100% of Fixed Annual Salary or as approved by Board of Directors in line with the approved PLI Policy
3.	PERQUISITES AND BENEFITS:	
a.	LEASED ACCOMODATION / HOUSE RENT ALLOWANCE	She shall be provided with paid Leased Accommodation / House Rent Allowance with an annual limit of INR 1,370,000
b.	PERSONAL LIFE / ACCIDENT INSURANCE COVERAGE	For an amount the annual premium of which does not exceed INR 90,000/-
c.	MEDICAL INSURANCE COVERAGE	For self and her family for an amount the annual premium of which does not exceed INR 2,00,000
d.	COMPANY'S CAR WITH DRIVER	Company will provide AC car with Fuel, Maintenance and Driver for business need / official duties
e.	OTHER BENEFITS AND ALLOWANCES	She shall be entitled for all other benefits and allowances as may be available to her as per policy of the Company. However, the value of such benefits/allowances shall not exceed INR 4,390,428 per annum.
4.	COMPENSATION FOR INVOLUNTARY TERMINATION OF SERVICES	In case services are terminated by the Company involuntary before the term, the incumbent shall be paid one time compensation equal to one month's fixed salary and PLI on pro rata basis for the completed period.
	TERMINAL BENEFITS: Company's contributions towards Provident Fund as per PF Act and the rules of the Company. Gratuity: in accordance with the Scheme as applicable as per the rules of the Company.	
	(Note: All amounts are mentioned in INR Gross of Tax subject to deduction of all taxes applicable as per Indian Tax Laws amended from time to time by Government of India)	

   'RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of tenure of Mrs. Neera Sharma, as Whole Time Director (designated as 'Chief Executive Officer') (DIN: 00975300), the remuneration and perquisites as approved by the Board, from time to time, with in the aforesaid limits be paid to her as minimum remuneration.'

‘**RESOLVED FURTHER THAT** pursuant to provisions of Companies Act, 2013, appointment of Mrs. Neera Sharma as Whole Time Director (designated as ‘Chief Executive Officer’) (DIN: 00975300) and payment of remuneration shall be subject to approval of the Shareholders.

‘**RESOLVED FURTHER THAT** any of the Directors and Ms. Khushbu Pawar, Company Secretary of the Company, be and are hereby severally authorized to sign, execute, authenticate and file necessary forms, applications, declarations and to take any 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.”

5. Approval for payment of Performance Linked Incentive of Mrs. Neera Sharma, Whole Time Director and Chief Executive Officer of the Company.

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.14,40,101/- (Rupees fourteen lakhs forty thousand one hundred and one only) to Mrs. Neera Sharma (DIN:00975300), Whole Time Director designated as CEO of the Company, for the calendar year 2023, 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 27, 2022.

“**RESOLVED FURTHER THAT** any of the Directors and Ms. Khushbu Pawar, 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.”

6. Appointment of Mr. Suman Sehgal as a Director and as an Independent Director

To consider and, if thought fit, to pass the following resolution as an **Special Resolution**:-

“**RESOLVED THAT** Mr. Suman Sehgal (DIN: 00571220), who was appointed as an Additional Director of the Company effective from 15th July 2024 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) and the Articles of Association of the Company, who is eligible for appointment and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

“**FURTHER RESOLVED that** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, appointment of Mr. Suman Sehgal (DIN: 00571220), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a period of five years commencing from 15th July, 2024 up to 14th July, 2029, be and is hereby approved.”

By Order of the Board
For Sistema Smart Technologies Limited

Sd/-
Khushbu Pawar
Company Secretary
Membership No.: A61062

Place : Gurugram
Date : July 15, 2024

NOTES

I. The statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business and the relevant details pursuant to Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Directors seeking appointment / re-appointment at this Annual General Meeting is annexed herewith.

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 up to the date of the AGM. The said documents will be available for electronic inspection for the Members without any fee.

II. General instructions for accessing and participating in the 29th AGM through VC Facility and voting through electronic means including remote e-Voting:

1. The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular Nos. 20/2020 and 10/2022 dated 5th May 2020 and 28th December 2022, respectively, and other circulars issued in this respect ("MCA Circulars") allowed, inter-alia, conduct of AGMs through Video Conferencing/ Other Audio-Visual Means ("VC/ OAVM") facility on or before 30th September 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. In compliance with these Circulars provisions of the Act, the 29th AGM of the Company is being conducted through VC/ OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the 29th AGM shall be the Registered Office of the Company.

2. Since the AGM is being held over video conferencing where physical attendance of members in any case has been dispensed with, a member entitled to attend and vote at the meeting will not be eligible to appoint proxies to attend the meeting instead of him/her. Accordingly, the proxy form and attendance slip are not attached to this notice and the resultant requirement for submission of proxy forms does not arise.

3. Members whose email address are not registered can register the same in the following manner:

   (i) Members who have not registered or who wish to update their e-mail ID, postal address, telephone/mobile numbers, Permanent Account Numbers, bank account details are requested to register/intimate the same with their Depository Participant, if the shares are held by them in electronic form and in case of members holding shares in physical form, all intimations are to be sent to KFin Technologies Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or mail at einward.ris@kfintech.com

   (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.

4. Corporate members intending to attend the Meeting are requested to send to the Company a certified scanned copy of the Board Resolution authorizing their representatives to attend the AGM through VC and vote on its behalf. The said resolution/ authorization shall be sent to the following e-mail address cssstl@sistema.co.in with a copy marked to evoting@kfintech.com

5. The Register of Members and the Share Transfer Books of the Company shall remain closed from Monday, the 26th August, 2024 to Monday, the 02nd September, 2024 (both days inclusive) for the purpose of Annual General Meeting

6. As per the provisions of the Companies Act, 2013, the facility for making nomination is available to individuals holding shares in the Company. The prescribed nomination form can be obtained from the Registrar and Share Transfer Agent (RTA)/Depository Participant (DP)

7. In compliance with the aforesaid MCA Circulars, notice of the AGM along with the Annual Report for the financial year 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Kfintech i.e. www.kfintech.com. For any communication, the shareholders may also send requests to the Company's Registrars KFin Technologies Limited at einward.ris@kfintech.com. OTHER THAN THE ABOVE, NO PHYSICAL/HARD COPIES OF THE NOTICE AND THE ANNUAL REPORT WILL BE SENT TO THE SHAREHOLDERS. Please note the above is in accordance with the various exemptions provided by the MCA in connection with conduct of Shareholders' meetings during the year 2024.

8. Members are requested to note that SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.

9. Members may note that the VC Facility, provided by KFIN Technologies Limited, allows participation of atleast 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of first-come first-served principle

10. 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.

11. Since the AGM will be held through VC/ OAVM facility, the route map, proxy form and attendance slip are not annexed in this Notice.

12. The register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to cssstl@sistema.co.in

13. In the 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.

14. 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 Limited, Selenium Tower B, Plot Nos. 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad 500 032, to reach them latest by Monday, August 26, 2024, 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.

III. INSTRUCTIONS FOR E-VOTING/REMOTE E-VOTING:

Voting through electronic means:

i) In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, 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. The instructions for e-Voting are given herein below:

ii) The remote e-voting facility will be available during the following period:

• Commencement of remote e-voting: From 9 a.m. (IST) on Thursday, 29th August 2024

• End of remote e-voting: Up to 5 p.m. (IST) on Saturday, 31st August 2024.

iii) The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFintech upon the expiry of the aforesaid period. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member / beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. Friday, 26th August, 2024.

iv) The Board of Directors of the Company has appointed Mr. Awanish Dwivedi, Practicing Company Secretary (FCS- 8055, CP No.-9080), of Dwivedi & Associates, Company Secretaries as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

v) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Friday, 26th August, 2024 only, shall be entitled to avail the facility of remote e-voting.

vi) Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfi ntech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

vii) In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode."

viii) The details of the process and manner for remote e-Voting are explained herein below:

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.

Step 3: Access to join virtual meetings (e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

I. Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

NSDL		CDSL	
1.	**User already registered for IDeAS facility:**	**1.**	**Existing user who have opted for Easi/ Easiest**
i.	URL: https://eservices.nsdl.com	i.	URL:https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com
ii.	Click on the "Beneficial Owner" icon under 'IDeAS' section.	ii.	Click on New System Myeasi
iii.	On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"	iii.	Login with user id and password.

NSDL	CDSL
iv Click on company name of the e-Voting service provider and you will be re-directed to e-Voting service provider website, select the Company name Soft Sol India Limited from the Drop down button for casting the vote during the remote e-Voting period.	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 IDeAS e-Services i. To register click on link :https://eservices.nsdl.com ii. Select "Register Online for IDeAS" iii. Proceed with completing the required fields.	**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.
3. User not registered for IDeAS e-Services i. To register click on link : https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp ii. Proceed with completing the required fields.	**3. By visiting the e-Voting website of CDSL** i. URL: www.cdslindia.com ii. Provide 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.
4. By visiting 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 Verifi cation Code as shown on the screen. iv. Post successful authentication, you will be 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 Member 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. 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. 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 CDSL	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:

II. Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

A. Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

  i. Launch internet browser by typing the URL: https://emeetings.kfintech.com/

  ii. Enter the login credentials (i.e. User ID and password). In the case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

  iii. After entering these details appropriately, click on "LOGIN"

  iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

  v. You need to login again with the new credentials.

  vi. On successful login, the system will prompt you to select the "EVEN" i.e. Sistema Smart Technologies Limited -AGM" and click on "Submit"

  vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

  viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

  ix. Voting must be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

  x. You may then cast your vote by selecting an appropriate option and click on "Submit".

  xi. A confirmation box will be displayed. Click "OK" to confirm or else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

  xii. Shareholders who have not yet registered their email address are requested to get their e-mail addresses registered by following the procedure given below:

    a) Members who have not registered their email address and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the email address and mobile number. In case of any queries, member may write to einward.ris@kfintech.com.

    b) Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certifi cate in case of physical folio for sending the e-voting instructions.

    c) After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

I. Instructions for all the shareholders for e-Voting during the meeting.

  i. Since the Company is required to provide the Members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date and not casting their vote electronically, may cast their vote during the e-AGM.

  ii. The Scrutinizer shall, after the conclusion of voting at the AGM unblock the votes cast through remote e-voting and make, not later than three days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the and declare the result of the voting forthwith.

iii. The results of voting declared along with the Scrutinizer's Report shall be placed on the website of KFintech immediately after the declaration of result by the Chairman or a person authorized by him in writing.

iv. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the meeting i.e. Monday, 02nd September, 2024.

v. Members can submit their questions in advance with regards to the financial statements or any other matter to be placed at the 29th AGM may send their questions from their registered email address mentioning their name, DP ID and Client ID/folio number, mobile number at cssstl@sistema.co.in from Monday, 26th August, 2024 (9:00 a.m. IST) to Friday, 30th August, 2024 (5:00 p.m. IST). The Chairperson or the concerned person shall respond to the queries. Such questions by the members shall be taken up during the meeting and replied by the company suitably.

vi. Members, who would like to ask questions during the 29th AGM with regard to the financial statements or any other matter to be placed at the 29th AGM, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address at csstl@sistema.co.in from Monday, 26th August, 2024 (9:00 a.m. IST) to Friday, 30th August, 2024 (5:00 p.m. IST). Those Members who have registered themselves as a speaker shall be allowed to ask questions during the 29th AGM, depending upon the availability of time.

The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, 26th August 2024, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

Example for NSDL
MYEPWD IN12345612345678
Example for CDSL:
MYEPWD 1402345612345678
Example for Physical:

MYEPWD XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com

In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfi ntech.com (KFintech Website) at evoting@kfintech.com or call KFintech's toll free No. 1-800-3094-001 for any further clarifications.

By Order of the Board
For Sistema Smart Technologies Limited

Khushbu Pawar
Company Secretary
Membership No.: A61062

Place : Gurugram
Date: July 15, 2024

ANNEXURE TO NOTICE

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT PURSUANT TO SECRETARIAL STANDARD-2 (SS-2) ISSUED BY INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)ON GENERAL MEETING

Name of Director	Brief Resume and Directorship Details
Mr. Sergey Savchenko (DIN: 02891905)	Mr. Sergey Savchenko, aged 66 years, is the Chairperson 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 2023-24. Mr. Sergey Savchenko is also on the Board of following other companies: Sitel Teleservices Private Limited Sistema Asia Fund Pte Ltd Sistema Asia Pte. Ltd Sistema Asia Capital Pte. Ltd Segezha International Pte. Ltd
Terms and conditions of Re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Sergey Savchenko (DIN: 02891905) is liable to retire by rotation.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 4

Mrs. Neera Sharma (DIN: 00975300) was re-appointed as CEO (Whole-Time Director) of the Company w.e.f. November 01, 2022 till October 31, 2024 pursuant to the approval of the Shareholder accorded in the Annual General Meeting held on September 27, 2022. As the term of her appointment will expire on October 31, 2024, the Board of Directors in its meeting held on July 15, 2024, approved the re-appointed of Mrs. Neera Sharma as CEO (Whole-Time Director) of the Company for a further period of two years i.e. from November 1, 2024 to October 31, 2026. Further, at the same meeting, the Board also approved the remuneration / terms and conditions for her re-appointment as Whole-time Director (CEO). The terms and conditions as set out in the resolution given under item no.4 were also approved by the Nomination & Remuneration Committee at its meeting held on July 15, 2024, subject to the approval of Shareholders in General Meeting.

Information / Profile of Mrs. Neera Sharma, Whole Time Director

Mrs. Neera Sharma (DIN: 00975300), aged 52 years, graduated from Punjab University, India in 1994. She also holds LLB (Professional) from Punjab University (1997). She has completed her Post Graduate Program in Management for Executives (UCLAPGPX) from University of California Los Angeles in July 2019. She has around 22 years' rich experience in Legal field with different companies encompassing a gamut of various industries. Before joining the Company in 2008, she had been rendering her services as Assistant General Manager-Legal with Dishnet Wireless Ltd. She started her career in 1997 as a Senior Executive-Legal with DCM Group and thereafter worked with HFCL Infotel Ltd., HCL Comnet Ltd., Idea Cellular Ltd., and Emaar MGF Land Pvt. Ltd. before joining Dishnet Wireless Ltd. in 2007.

The remuneration payable to the appointee by the Company is given in the resolution, which is quite reasonable and also acceptable to the appointee keeping in view the comparative remuneration profile in similar industry in India. Mrs. Neera Sharma has no pecuniary relationship with the Company and no relationship with its managerial personnel, either directly / indirectly. General and Other Information including Company Business and Growth Plan After exit from the telecom business, 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.

The Company is also providing Shared services in areas of finance, tax, risk, budgeting, legal, secretarial and IT services to its group companies based in India and Singapore and to the external venture funds and others in India.However, there are still lot of legal and regulatory uncertainties and issues which need to be looked into both strategically and operationally on a day-to-today basis. This necessitates very close monitoring of the legal and regulatory environment, which are very crucial and sensitive areas for the future development of the Company. Keeping this in view, it was thought fit to re-appoint Mrs. Neera Sharma as a CEO (Whole-Time Director) of the Company for a further period of two years. This will help in continued streamlined reporting to the Board as well as expert guidance availability for the Board members for better clarity and for taking strategic decisions on a timely basis. In view of the above, it became indispensable to re-appoint Mrs. Neera Sharma as the CEO of the Company.

As Mrs. Neera Sharma is having enormous experience and expertise in field of Legal function, therefore, it was deemed proper to re-appoint her as CEO of the Company. Mrs. Neera Sharma has a wealth of operational experience, legal acumen and inspirational leadership needed to provide direction to the Company on legal / regulatory matters. Accordingly, the Board of Directors, keeping in view the current business profile of the Company and the number and sensitivity of pending legal cases, and further based on the recommendation of the Nomination and Remuneration Committee (meeting dated July 15, 2024), the Board at its Meeting held on July 15, 2024 approved the re-appointment of Mrs. Neera Sharma as CEO (Whole Time Director) of the Company for a further period of two (2) years starting from November 1, 2024, subject to the approval of shareholders by way of a special resolution in the Annual General Meeting.

Foreign Investment in Company As on date, SISTEMA Joint Stock Financial Corporation (SISTEMA PJFC), of Russia, as a strategic investor in the business of the Company, holds 75.62% of the aggregate paid up equity share capital of the Company.

The Board of Directors believes that the Company shall be certainly benefited by the immense and versatile experience of Mrs. Neera Sharma in legal field. Mrs. Neera Sharma does not have any pecuniary relationship directly/ indirectly with the Company. Further, Mrs. Sharma is not related to any Key Managerial Personnel.

Your Directors recommend passing of the resolution as 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.

Item No. 5

The shareholders, at the Annual General Meeting ("AGM") of the Company held on September 27, 2022, 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.14,40,101/- (Rupees fourteen lakhs forty thousand one hundred and one only) to Mrs. Neera Sharma (DIN:00975300), Whole Time Director of the Company, for the calendar year 2023 (i.e. January 1, 2023 to December 31, 2023), which is in excess of her Salary / Remuneration as approved by the shareholders at the Annual General Meeting of the Company held on September 27, 2022. The payment of above-mentioned excess of Rs.14,40,101/- (Rupees fourteen lakhs forty thousand one hundred and one only) to Mrs. Neera Sharma was recommended by the Nomination and Remuneration Committee at its meeting held on 23rd January, 2024.

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.14,40,101/- (Rupees fourteen lakhs forty thousand one hundred and one only) for the calendar year 2023 to Mrs. Neera Sharma and recommend the resolution proposed at Item No. 5 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.

Pursuant to Clause (iv) of Section II of Schedule V of the Companies Act, 2013 the following statement is given:

I.	**General information:**	
(1)	Nature of Industry	Information services activities
(2)	Date or expected date of commencement of commercial production	Not Applicable
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
(4)	Financial performance based on given indicators	Performance for F.Y. 2023-24: 1. Gross Revenue: INR 101.68 Lakhs 2. Profit/Loss after tax: INR (18,613.72) Lakhs 3. Dividend: NIL 4. EPS: Basis (7.77)
(5)	Foreign investments or collaborations, if any.	No

II.	**Information about the appointee:**	
(1)	Background details	Mrs. Neera Sharma earned a Bachelors' degree in law from Panjab University in 1997 and 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. She has strong functional expertise and a well-rounded legal experience of nearly two decades having worked with leading companies'.
(2)	Past remuneration	The Annual Gross Earning of Ms. Neera Sharma is Rs. 2,01,53,919 of F.Y. 2023-2024
(3)	Recognition or awards	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.
(4)	Job profile and her suitability	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. And in 2017, she was appointed as Whole Time Director and Chief Executive Officer of the Company.
(5)	Remuneration proposed	Remuneration is the same as approved by the Shareholders in the 27th Annual General meeting. However, the payment of excess PLI of Rs. 14,40,101/- (Rupees Fourteen Lakhs Forty Thousand One Hundred One Only) to Mrs. Neera Sharma is proposed by the Board for the approval of shareholder in this meeting.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by her and the enhanced business activities of the Company, proposed remuneration is commensurate with Industry Standards and Board level positions held in similar sized and similarly positioned business.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other director, if any	Not Applicable
III.	**Other information:**	
(1)	Reasons of loss or inadequate profits	The losses are mainly due to the increase in finance cost (interest accrued on financial liability portion of Redeemable preference shares).
(2)	Steps taken or proposed to be taken for improvement	The Company believes that it is well positioned to capture opportunities for growth and profitability, based on its competitive strengths. The Company has taken various steps for increasing its profitability including cost rationalisation measures, acquiring new customers. The Company is confident that with improvement in these expenses and having multiple offerings for customers will enable the company to earn the sufficient revenues to cover the operating expenses going forward in sometime.
(3)	Expected increase in productivity and profits in measurable terms	The Company has been able to focus very heavily on the optimization and cost reduction in the last years while maintaining the same volumes of the business and the growth pattern, the Company expects to deliver growth in financial year March 2025 and going forward.

Your directors, therefore, solicit the approval of the members for payment of PLI of Rs. 14,40,101/- (Rupees Fourteen Lakhs Forty Thousand One Hundred One Only)/- for the calendar year 2023 to Mrs. Neera Sharma and recommend the resolution proposed at Item No. 5 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.

Item no. 6

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Suman Sehgal (DIN: 00571220), as an Additional Director (Independent) of the Company, not liable to retire by rotation, for a period of five years commencing from 15th July 2024 up to 14th July 2029 in terms of Article 96 of the Article of Association of the Company and Section 161(1) of the Act and the rules made thereunder.

In terms of Section 161(1), Mr. Suman Sehgal holds office only upto the date of the forthcoming Annual General Meeting (AGM) of the Company and is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying his intention to propose Mr. Suman Sehgal's appointment as a Director.

The Company has received declaration from Mr.Suman Sehgal to the effect that he fulfills all the conditions specified under Section 149 of the Act to qualify as an Independent Director on the Board of the Company.He has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, Mr. Suman Sehgal fulfils the conditions specified in the Act and the rules made thereunder for appointment as an Independent Director and he is Independent of the management.

Mr. Suman Sehgal graduated from the prestigious St. Stephens College, New Delhi. After graduation he completed two years of practical training in West Germany with Fischer & Krecke following which he took over his family factory producing paper products in India as Managing Director. He went to Russia in1983 and acted as consultant to various Indian companies- Indian Tobacco Company, Godphrey Phillips, Tata Tea, Nestle, Mcneil & Magor, Rossell and Printers House India. Mr. Sehgal was instrumental in establishing brands such as Capstan and Four Square in the USSR. In Post-Soviet Russia, Mr. Sehgal was the leading Indian exporter of rice & Tea to Russia. Since 2000, Mr. Sehgal has consulted various Russian Enterprises including JSFC Sistema, Ural Mining & Metallurgical Company, Sberbank, Hydroenergostroy, Transmash holding & Novolipetsk Steel. He was the member of Board of SSTL from February 2008 to April 2018.

By Order of the Board
For Sistema Smart Technologies Limited

Khushbu Pawar
Company Secretary
Membership No.: A61062

Place : Gurugram
Date: July 15, 2024

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Sergey Savchenko, Chairman

Mr.Vikram Kaushik, Independent Director

Ms. Preeti Singh, Independent Director

Ms. Neera Sharma, Chief Executive Officer, and Whole Time Director

OTHER KEY MANAGERIAL PERSONAL

Mr.Vinay Mittal, Chief Financial Officer

Khushbu Pawar, Company Secretary

STATUTORY AUDITOR

VJSJ & Co. LLP Chartered Accountants

SECRETARIAL AUDITOR

Awanish Dwivedi & Associates

(Formerly known as Dwivedi and Associates, Company Secretaries)

A-160, Basement, Defence Colony, New Delhi-110024

REGISTERED OFFICE

SISTEMA SMART TECHNOLOGIES LIMITED

CIN: U74110RJ1995PLC017779

Reg. Office:121, Doctors Colony Near DCM Ajmer Road Jaipur, Rajasthan-302021

Email Id: cssstl@sistema.co.in

CORPORATE OFFICE

8th Floor, Plot No. 468-469,

Udyog Vihar, Phase 3, Gurugram-122015,

Haryana, India

REGISTRAR & TRANSFER AGENT

KFIN TECHNOLOGIES LIMITED

Reg. Office address: Selenium Tower-B", Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500032, Telangana

BANKERS

ICICI BANK LIMITED

CENTRAL BANK LIMITED

SYNDICATE BANK

BANK OF BARODA

KOTAK MAHINDRA BANK LIMITED

Sistema Smart Technologies Limited

Corp Office: 468, Udyog Vihar Phase 3,
Gurgaon-122001, Haryana

Regd. Office: 121, Doctors Colony
Near DCM Ajmer Road,
Jaipur, Rajasthan - 302021