

Tower Vision India Private Limited
(Company Identification No: U64203DL2006PTC145455)
Notes to the Financial Statements for the year ended 31 March 2023
(All amounts in INR Million, unless otherwise stated)

4. Intangible assets

Particulars	Gross Carrying amount				Accumulated Amortization				Net carrying amount as at 31 March 2023
	As at 1 April 2022	Additions	Disposals	As at 31 March 2023	As at 1 April 2022	Amortization for the year	Disposals	As at 31 March 2023	
Owned assets									
Customer Relationship	71	-	-	71	70	0	-	70	1
Computer Software	18	1	-	19	13	3	-	16	3
Total Intangible assets	89	1	-	90	83	3	-	86	4

Particulars	Gross Carrying amount				Accumulated Amortization				Net carrying amount as at 31 March 2022
	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	Amortization for the year	Disposals	As at 31 March 2022	
Owned assets									
Customer Relationship	71	-	-	71	70	-	-	70	1
Computer Software	16	2	-	18	10	3	-	13	5
Total Intangible assets	87	2	-	89	80	3	-	83	6

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Notes to the Financial Statements for the year ended 31 March 2023
(All amounts in INR Million, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
5 Trade receivables		
(a) Non Current		
Unsecured, considered good	292	381
Doubtful	85	-
Total Non Current	377	381
Less: Allowance for doubtful receivables	(85)	-
Subtotal Non current	292	381
(b) Current		
Unsecured, considered good	2,163	2,165
Doubtful	659	259
Total Current	2,822	2,424
Less: Allowance for doubtful receivables	(659)	(259)
Subtotal Current	2,163	2,165
Total	2,455	2,546
Break-up of Trade receivables		
Trade receivables considered good-Secured	-	-
Trade receivables considered good-Unsecured	2,455	2,546
Trade receivables which have significant increase in credit risk	-	-
Trade receivables-credit impaired	745	259
Gross trade receivables	3,200	2,805
Less: Allowance for doubtful receivables	(745)	(259)
Net trade receivables	2,455	2,546

Trade Receivables ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,928	167	202	158	-	2,455
(ii) Undisputed Trade Receivables – considered doubtful	565	48	76	56	-	745
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total	2,493	215	278	214	-	3,200

Trade Receivables ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payments					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,868	452	175	49	2	2,546
(ii) Undisputed Trade Receivables – considered doubtful	109	89	46	14	1	259
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
Total	1,977	541	221	63	3	2,805

6 Other Financial Assets

(a) Non Current		
Unsecured, considered good		
Security deposits	445	412
Long-term deposits in bank with maturity period more than 12 months from the reporting date (refer note below)	462	378
Revenue equalization reserve (Refer note 29)	440	389
Less Impairment of Revenue equalisation reserve	(86)	389
Subtotal Non current	1,261	1,179
(b) Current		
Security deposits	9	10
Unbilled revenue	665	432
Other recoverable from customer	9	7
Subtotal Current	683	449
Total	1,944	1,628

Note: Long-term deposits in banks include deposits under lien with third parties or deposit provided against bank guarantees amounting to INR 17 Million (31 March 2022 INR 10 Million). The guarantees have been given to various statutory authorities and third parties.

7 Deferred Tax (Liabilities)/Assets

Deferred tax assets	784	939
Deferred tax liabilities	(1,892)	(1,571)
Deferred Tax (Liabilities)/Assets (Net) (Refer note 27)	(1,108)	(632)

8 Other non-current assets

Capital advances	50	29
Less: Provision for doubtful advances	(0)	(0)
Total	50	29

9 Non-Current tax assets

Opening balances	109	99
Add: Taxes paid	-	30
Less Taxes refund	(61)	(14)
Less: Advance tax written off	-	(6)
Total	48	109

Tower Vision India Private Limited
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Notes to the Financial Statements for the year ended 31 March 2023
(All amounts in INR Million, unless otherwise stated)

	<u>As at</u> <u>31 March 2023</u>	<u>As at</u> <u>31 March 2022</u>
10 Cash and cash equivalents		
Cash on hand	0	0
Balance with bank		
- In Current accounts	329	518
- Deposits (with original maturity of less than 3 months)	664	1,106
Other balances	9	1
Total	<u><u>1,002</u></u>	<u><u>1,625</u></u>
11 Other Bank Balances		
Deposits (with maturity of more than 3 months and up to 12 months of the reporting date)	<u>3,612</u>	<u>2,463</u>
Total	<u><u>3,612</u></u>	<u><u>2,463</u></u>
Note : Deposits in banks include deposits under lien with third parties or deposit provided against bank guarantees amounting to INR 24 Million (31 March 2022 INR 31 Million). The guarantees have been given to various statutory authorities and third parties.		
12 Other Current Assets		
Balances with Government authorities	95	105
Less: Provision for doubtful balances with government authorities	<u>(18)</u>	<u>(17)</u>
Prepaid expenses	16	17
Advance to vendors	61	59
Less: Provision for doubtful advances	<u>(3)</u>	<u>(3)</u>
Others	<u>28</u>	<u>38</u>
Total	<u><u>179</u></u>	<u><u>199</u></u>

Tower Vision India Private Limited
(Company Identification No: U64203DL2006PTC145455)
Notes to the Financial Statements for the year ended 31 March 2023
(All amounts in INR Million, unless otherwise stated)

13 Equity share capital and other equity
13 (a) Equity share capital

	As at 31 March 2023	As at 31 March 2022
Authorized:		
Equity shares (in Nos.)	925,000,000	925,000,000
Equity shares of INR 10 each	<u>9,250</u>	<u>9,250</u>
Issued, subscribed and paid up		
Equity shares (in Nos.)	897,208,184	897,208,184
Equity shares of INR 10 each, fully paid up	<u>8,972</u>	<u>8,972</u>
Total	<u>8,972</u>	<u>8,972</u>

(i) Reconciliation of number of shares

Equity Shares:

	As at 31 March 2023		As at 31 March 2022	
	No of Shares	Amount	No of Shares	Amount
Balance as at the beginning of the year	897,208,184	8,972	897,208,184	8,972
Add: Issued during the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at the end of the year	<u>897,208,184</u>	<u>8,972</u>	<u>897,208,184</u>	<u>8,972</u>

(ii) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having par value of INR 10 per share. Each shareholder is eligible to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company in proportion to their holdings after distribution of preferential amounts, if any, such as secured loans and other preferential liabilities.

(iii) Details of Shares held by Holding Company and Ultimate Holding Company

	As at 31 March 2023		As at 31 March 2022	
	No of Shares	Amount	No of Shares	Amount
Tower Vision Mauritius Limited, (Holding Company)	897,208,183	8,972	897,208,183	8,972
Quadrangle (TVM) Mauritius Limited (Ultimate Holding Company)	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>
	<u>897,208,184</u>	<u>8,972</u>	<u>897,208,184</u>	<u>8,972</u>

(iv) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

	As at 31 March 2023		As at 31 March 2022	
	No of Shares	% Holding	No of Shares	% Holding
Tower Vision Mauritius Limited	897,208,183	99.99%	897,208,183	99.99%

(v) The Company has neither issued any bonus shares, nor issued shares for consideration other than cash nor bought back any equity shares during the period of 5 years immediately preceding the reporting date.

(vi) Details of shares held by the promoters of the Company :

S.No.	Promoter Name	No. of shares	% of total shares	% change during the period
1	Tower Vision Mauritius Limited	897,208,183	99.99%	Nil
2	Quadrangle (TVM) Mauritius Limited	1	0.01%	Nil

13 (b) Other equity

	As at 31 March 2023	As at 31 March 2022
Retained earnings		
Opening balance	(1,092)	(2,619)
Movement during the year	<u>1,679</u>	<u>1,527</u>
Closing balance	<u>586</u>	<u>(1,092)</u>
Share options outstanding account		
Opening balance	115	101
Movement during the year	<u>(115)</u>	<u>14</u>
Closing balance	<u>-</u>	<u>115</u>
Items of other comprehensive income		
Revaluation Surplus		
Opening balance	2,879	2,742
Movement during the year	<u>614</u>	<u>137</u>
Closing balance	<u>3,493</u>	<u>2,879</u>
	<u>4,079</u>	<u>1,902</u>

Nature and purpose of reserves

(a) Share options outstanding account

This relates to share options that were granted by the Company to its employees under its employee share options plan.

i) On 12 October 2008, the Company introduced an ESOP scheme (the '2008 Scheme') under which the Company granted options to certain employees. All the options under the 2008 Scheme were granted on 1 October 2009.

ii) On 1 September 2009, the Company introduced another ESOP scheme (the '2009 Scheme') under which the Company granted options to certain employees. 1,875,480 options have been granted out of a total of 11,252,879 available under the 2009 Scheme: 625,160 options were granted on 1 October 2009 and 1,250,320 options were granted on 14 December 2010. 208,387 options were cancelled due to separation of employees.

(iii) On 14 February 2011, the Company introduced another ESOP scheme (the '2011 Scheme') under which the Company granted options to certain employees. 625,160 options out of the total of 9,585,836 available under the 2011 Scheme were granted on 14 February 2011.

(iv) Options granted under the 2008, 2009 and 2011 Schemes were intended to be settled in equity at the time of exercise. The exercise price per option were to be the par value of one equity share on the date of grant of options i.e. INR 10 and the options were capable of being exercised within a period not exceeding four years from the date of vesting of the options, subject to subsequent extensions as granted by the Company from time to time. Options granted under 2008, 2009 and 2011 schemes vested as per the timelines set by the Company at the time of grant. The Company extended the exercise period for all the above schemes.

(v) On 11 December 2017, the Company introduced another ESOP scheme (the '2017 Scheme') under which the Company granted 3,000,000 options to certain employees, out of which 1,000,000 options lapsed due to exit of one of the employees. The Company extended the exercise period of all options awarded and vested under ESOP scheme 2017. On 26 April 2021, the Company granted further 1,000,000 options to an employee under the same scheme. The exercise period in respect of these options was one year from date of last vesting.

The information concerning stock options granted, exercised and outstanding is as follows:

Particulars	Year ended 31 March 2023		Year ended 31 March 2022	
	Number of Stock options	Weighted Average Exercise Price	Number of Stock options	Weighted Average Exercise Price
2008 Scheme				
Number of shares under option:				
Outstanding at the beginning of the year	625,160	10.00	625,160	10.00
Granted	-	-	-	-
Exercised	-	-	-	-
Settlement of Employee Stock Option Plan (refer note below)	(625,160)	-	-	-
Outstanding at the end of the year	-	-	625,160	10.00
Exercisable at the end of the year	-	-	625,160	10.00
Weighted average grant date fair value	-	-	-	20.86
2009 Scheme				
Number of shares under option:				
Outstanding at the beginning of the year	1,250,320	10.00	1,250,320	10.00
Granted	-	-	-	-
Exercised	-	-	-	-
Settlement of Employee Stock Option Plan (refer note below)	(1,250,320)	-	-	-
Outstanding at the end of the year	-	-	1,250,320	10.00
Exercisable at the end of the year	-	-	1,250,320	10.00
Weighted average grant date fair value	-	-	-	24.80
2011 Scheme				
Number of shares under option:				
Outstanding at the beginning of the year	625,160	10.00	625,160	10.00
Granted	-	-	-	-
Exercised	-	-	-	-
Settlement of Employee Stock Option Plan (refer note below)	(625,160)	-	-	-
Outstanding at the end of the year	-	-	625,160	10.00
Exercisable at the end of the year	-	-	625,160	10.00
Weighted average grant date fair value	-	-	-	26.92
2017 Scheme				
Number of shares under option:				
Outstanding at the beginning of the year	3,000,000	10.00	2,000,000	10.00
Granted	-	-	1,000,000	10.00
Exercised	-	-	-	-
Settlement of Employee Stock Option Plan (refer note below)	(3,000,000)	-	-	-
Outstanding at the end of the year	-	-	3,000,000	10.00
Exercisable at the end of the year	-	-	2,000,000	10.00
Weighted average grant date fair value	-	-	-	23.20

The fair value of the options granted was estimated on the date of each grant using the Black-Scholes model with the following assumptions:

Risk free interest rates	-	6.06% to 7.57%
Expected life	-	2.16 - 4 years
Volatility	-	50% to 57%
Dividend yield	-	-

Note:

The Company in its board meeting held on 1 March 2023, passed a resolution for modification of outstanding ESOPs under the various ESOP schemes mentioned above from being Equity settled to Cash settled as a settlement of the outstanding ESOPs. The necessary communication in respect of this matter was made to the ESOP holders and their approval and consent for such modification has been obtained by the Company. Consequently, the balance in the Stock Option Outstanding account as at 31 March 2023 has been classified as ESOP liability at the date of modification equal to the fair value of liability from equity to liability and disclosed under the head current financial liabilities in note 15(b). The corresponding expense has been recorded in the Statement of Profit and Loss.

(b) Retained earnings

The Company had accumulated losses in the past years which have been set off by profits earned during the year.

(c) Revaluation surplus

Property, plant and equipment are measured at fair value as per depreciated replacement cost method of revaluation less accumulated depreciation and impairment losses, if any recognised on the date of revaluation. Management reviews the fair value of the Company's assets on an annual basis and adjusts it whenever they differ materially from the carrying values.

	As at 31 March 2023	As at 31 March 2022
Financial Liabilities		
14 (a) Non current borrowings (Secured)		
Secured Term Loan:		
From banks	1,991	2,336
From others (financial institutions)	3,584	4,087
Borrowings from banks and others (financial institutions)	5,575	6,423
Less: Current maturities of long term debts	881	849
Non Current Borrowings	4,694	5,574
14 (b) Current borrowings (Secured)		
Secured Term Loan:		
From banks	315	319
From others (financial institutions)	566	530
Interest accrued on borrowings	(0)	13
Borrowings from banks and others (financial institutions)	881	862

- (i) In the previous year, the Company had signed a new credit facility agreement ('the new facility') dated 30 September 2021 with a new lending consortium with permissible borrowing facility of INR 6,829 million. The Company utilized the entire amount of the new facility and INR 1,462 million from its own cash balance in October 2021 to fully settle the previous credit facility. The previous lenders released the securities and a fresh security charge as required under the new facility was created in favour of new lenders.
- (ii) During Current year credit rating of the company was upgraded from A+ to AA- resulting in reduction in spread of 20bps on current rate of interest. All the lenders have approved the spread reduction. Rate of interest in respect of abovementioned loans is 8.7% to 9.7% p.a. (31 March 2022: 8.9% p.a.). In addition to the 20bps rate reduction, lenders have further reduced the spread by 15bps.
- (iii) Borrowings from banks and others (financial institutions) includes INR 5,653 Million (31 March 2022 INR 6,510 Million) towards principal outstanding repayable in remaining 20 quarterly installments.
- (iv) **Security Charges**
- (i) a first ranking charge, by way of mortgage, in a form and manner satisfactory to the Lenders, on the immovable properties of the Company but other the excluded property, both present and future;
- (ii) a first ranking charge on all the tangible movable assets of the company (other than the company's investments in its affiliates or other persons, made out of funds lying in the Distribution account), including but not limited to movable plant and machinery, machinery spares, tools and accessories, equipment and all other movable assets of the company, both present and future;
- (iii) a first ranking charge over all Accounts and all other bank accounts of the company including the Trust and Retention account and the sub- accounts thereof including the Debt Service Reserve Account (or any replacement thereof) that may be opened in accordance with facility agreement, the Trust and Retention Account agreement or any of other Transaction documents, and all funds from time to time deposited therein and all funds of the company. the proceeds and all permitted investments, any other investments or other securities of the company, both present and future.
- (iv) a first ranking charge on all revenues and receivables of the company, whether or not deposited in the accounts, the book debts of the company, the operating cashflow of the company and all other commissions and revenues and cash of the company and all investments of the company and all insurance proceeds, both present and future;
- (v) a first ranking charge on all current assets and intangible assets of the company, if any, including but not limited to goodwill, rights (including Intellectual Property Rights), undertaking and uncalled capital of the company, both present and future;
- (vi) a first ranking charge and assignment, by way of security, in
- (a) all the rights, title, interests, benefits, claims and demands whatsoever of the company in the company Project documents, both present and future (including Step In Rights and Substitution Rights);
- (b) the rights, title, interests and benefits of the company in, to and under all the company clearances, to the extent permissible by applicable Law, both present and future;
- (c) all the rights, title, interests, benefits, claims and demands whatsoever of the company in any letter of credit, guarantee (including contractor guarantees) and liquidated damages (including contractual damages) and performance bond provided by any counterparty of the company, both present and future; and
- (d) all the rights, title, interests, benefits, claims and demands whatsoever of the company under all insurance contracts, both present and future;
- (vii) a pledge of the Pledged securities by the pledgors;
- (viii) a non disposal undertaking in respect of the NDU Securities held by NDU provider, until the final settlement date;
- (ix) an unconditional and irrevocable corporate guarantee, in a form and manner satisfactory to the lender, provided by the promoters (the "corporate guarantee").

15 Other financial liabilities		
a) Non Current		
Security deposit received	204	279
Total	204	279
b) Current		
Security deposit received	143	106
Employee benefits payable	59	63
ESOP liability (refer note 13b)	98	-
Payable to capital creditors*	578	325
Derivative financial liability	18	22
Total	896	516
Total	1,100	795

* Including INR 16 Million (31 March 2022 INR 20 Million) due to micro and small enterprises (refer note 18)

16 Non-current provisions

	As at 31 March 2023	As at 31 March 2022
Provision for site restoration cost (Refer note (i) below)	42	40
Provision for compensated absences	13	14
Provision for gratuity (Refer note (ii) below)	5	4
Total	60	58

Notes

(i) Site restoration cost

In respect of certain premises taken on lease to install tower equipment, the Company has committed to restore the premises to its original condition once the said leases will be terminated. Provision for site restoration is recognized for the present value of costs that is expected to be incurred for the restoration of such premises at the end of the lease period.

Movement of Provision for site restoration cost:

Opening balance	40	38
Add: Interest unwinding for the year	3	2
Less: Utilization during the year	(1)	-
Closing balance	42	40

(ii) Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible to receive a gratuity upon departure equal to 15 days salary for each completed year of service. The Company has taken a group gratuity - cum life assurance scheme from the Life Insurance Corporation of India covering a group gratuity benefit for its employees. The Company does not immediately fully fund the liability and maintains a target level of funding to be maintained over a period based on the estimations of expected gratuity payments.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation is as follows:

Defined benefit obligation

	Present value of obligation	Fair value of plan assets	Net amount
1 April 2021	33	(29)	4
Current service cost	6	-	6
Interest expense/(income)	2	(2)	0
Total amount recognised in profit or loss	8	(2)	6
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0	0
(Gain)/loss from change in demographic assumptions	(1)	-	(1)
(Gain)/loss from change in financial assumptions	(0)	-	(0)
Past service cost	-	-	-
Experience (gains)/losses	(2)	-	(2)
Total amount recognised in other comprehensive income	(3)	0	(3)
Employer contributions	-	(3)	(3)
Benefit payments	(4)	4	-
31 March 2022	34	(30)	4
1 April 2022	34	(30)	4
Current service cost	6	-	6
Interest expense/(income)	2	(2)	0
Total amount recognised in statement of profit and loss	8	(2)	6
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0)	(0)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(2)	-	(2)
Past service cost	-	-	-
Experience (gains)/losses	0	-	0
Total amount recognised in other comprehensive income	(2)	(0)	(2)
Employer contributions	-	(3)	(3)
Benefit payments	(7)	7	0
31 March 2023	33	(28)	5

The net liability disclosed above relates to funded and unfunded plans are as follows:

	As at 31 March 2023	As at 31 March 2022
Present value of funded obligations	33	34
Fair value of plan assets	(28)	(30)
Deficit of funded plan	5	4
Present value of unfunded plans	-	-
Net Deficit of gratuity plan	5	4

The significant Demographic actuarial assumptions are as follows:

	As at 31 March 2023	As at 31 March 2022
Discount rate	7.25%	6.00%
Salary growth rate	6.54%	6.54%
Attrition rate	17.69%	17.69%
Mortality rate	100%	100%

(iv) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	As at 31 March 2023		As at 31 March 2022	
	Decrease (-)	Increase (+)	Decrease (-)	Increase (+)
Discount rate (-/+1%)	34.69	31.62	35.62	32.38
% change compared to base due to sensitivity	4.8 %	-4.4%	5.0%	-4.6%
Salary growth rate (-/+1%)	31.64	34.62	32.41	35.53
% change compared to base due to sensitivity	-4.4%	4.6%	-4.5%	4.7%
Attrition rate (-/+50% of attrition rates)	33.68	32.36	35.33	32.83
% change compared to base due to sensitivity	1.8%	-2.2%	4.1%	-3.2%
Mortality rate (-/+10% of mortality rates)	33.09	33.10	33.93	33.93
% change compared to base due to sensitivity	0.0%	0.0%	0.0%	0.0%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis is consistent with prior period.

Risk exposure

The Company is exposed to following risks in providing the above benefit:

- Interest Rate Risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in increase in the liability (as shown in financial statements).
- Salary escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Plan Assets

The Company has invested the retirement benefit obligation (gratuity) with Life insurance Corporation of India. The Company has not been informed by the Life Insurance Corporations of the investments made by them or the break-down of plan assets by investment type.

Expected contributions to post-employment benefit plans for the year ending 31 March 2024 are INR 12 Million.

The weighted average duration of the defined benefit obligation (based on discounting cash outflows) is 5 years (31 March 2022 – 5 years). The expected maturity analysis of undiscounted pension and gratuity.

	Less than a year	1 - 5 years	Over 5 years	Total
31 March 2023				
Defined benefit obligation (pension and gratuity)	7	19	23	49
Post-employment medical benefits	-	-	-	-
Total	7	19	23	49
31 March 2022				
Defined benefit obligation (pension and gratuity)	7	19	22	48
Post-employment medical benefits	-	-	-	-
Total	7	19	22	48

17 Current provisions

Provision for compensated absences	4	4
Total	4	4

18 Trade payables

Trade payables to micro and small enterprises (refer note below)	55	67
Trade payables to related parties(refer note 32)	42	58
Others trade payables	656	556
Total	753	681

Note: The above trade payables includes INR 43 Million (31 March 2022 INR 58 Million) on account of unhedged foreign currency.

Trade Payable Ageing schedule as at 31 March 2023

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	54	1	0	0	55
(ii) Others	557	27	24	90	698
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	611	28	24	90	753

Trade Payable Ageing schedule as at 31 March 2022

Particulars	Outstanding for following periods from due date of payments				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	65	2	0	0	67
(ii) Others	480	53	37	44	614
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	545	55	37	44	681

Dues to Micro, Small and Medium Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	Year ended As at 31 March 2023	Year ended As at 31 March 2022
a. The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year.	71	87
b. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.		
- Principal	200	218
- Interest	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	5	4
d. The amount of interest accrued and remaining unpaid at the end of the year.	15	10
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
	As at 31 March 2023	As at 31 March 2022
19 Other liabilities		
a) Non-current		
Deferred lease income on security deposit received	52	93
Total	52	93
b) Current		
Unearned revenue	0	1
Advance from customers	5	5
Statutory dues payable	225	190
Income tax payable	8	-
Payroll related statutory dues	4	4
Deferred lease income on security deposit received	28	49
Others	7	10
Total	277	259

	For the year ended 31 March 2023	For the year ended 31 March 2022
20 Revenue from operations and other related services		
Service revenue from infrastructure provisioning and energy charges	11,427	10,718
Total	11,427	10,718
Note: Contract Balances		
Trade receivables	2,455	2,546
Unbilled revenue	665	432
Contract liabilities	5	6
Revenue equalization reserve	354	389

The contract assets primarily relate to the Company's right to consideration for services rendered but not billed at the reporting date. Contract assets are classified as unbilled revenue (only act of invoicing is pending) when there is unconditional right to receive cash as per contractual terms. The contract assets are transferred to receivables when the Company issues an invoice to the customer. The contract liabilities primarily relate to the advance received from customers and unearned revenue. Revenue is recognized against the same as or when the performance obligation is satisfied.

Changes in contract assets (unbilled receivable and revenue equalization reserve) are as follows:

Balance at beginning of the year	821	711
Revenue recognised during the year	630	529
Invoices raised during the year	(432)	(419)
Balance at the end	1,019	821

Changes in contract liabilities (unearned and deferred revenue) are as follows:

Balance at beginning of the year	6	12
Revenue recognised during the year	(1)	(6)
Balance at the end of the year	5	6

21 Other income

Interest on fixed deposits	227	138
Unwinding of discount for security deposit paid	4	-
Income from amortization of deferred portion of security deposit received	67	70
Liabilities/provisions no longer required written back	48	90
Interest on income tax refund collected	1	1
Profit on disposal of property, plant and equipment (net)	121	154
Insurance claim on property, plant and equipment	12	14
Miscellaneous income	86	79
Total	566	546

22 Site operating expenses

Site and warehouse rent	27	24
Site maintenance expenses (Security, repair and maintenance of property plant and equipment and energy cost)	4,626	4,319
Insurance	19	20
Total	4,672	4,363

23 Employee benefits expense

Salaries, wages and bonus	468	404
Contribution to employees' provident and other funds (refer note below)	25	20
Gratuity (refer note 17)	6	6
Compensated absences	5	2
Staff welfare expenses	24	14
ESOP expenses (refer note 13b)	11	14
Total	539	460

Defined Contribution Plan

The Company has certain defined contribution plans. Contributions are made to provident and other funds for qualifying employees as per regulations. An amount of INR 25 Million (31 March 2022 INR 20 Million) pertaining to employer's contribution to provident and other fund is recognised as an expense.

	For the year ended 31 March 2023	For the year ended 31 March 2022
24 Other expenses		
Legal and professional (refer note below for payment to auditors)	78	41
Management charges	157	144
Communication	6	7
Travelling and conveyance	55	32
Rates and taxes	7	17
Repair and maintenance - others	18	14
Insurance charges	3	2
Net loss on foreign currency transaction	2	19
Capital assets written off	30	89
Allowance for doubtful receivables	487	54
Bad debts	1	-
Less: allowance for doubtful debts utilised from previous year	1	-
Impairment of Revenue Equalisation Reserve	86	-
Corporate social responsibility expense (refer note 34)	49	35
Payment to non-executive directors	3	3
Director sitting fee	0	0
Miscellaneous	35	35
Total	1,016	492
Note: Payment to auditors (excluding applicable taxes):		
Audit fee	4	2
Limited review and other services	3	3
Taxation matters	0	0
Reimbursement of expenses	0	0
Total	7	5

	For the year ended 31 March 2023	For the year ended 31 March 2022
25 Finance costs		
Interest on borrowings	604	873
Interest on lease liabilities	1,241	1,194
Other borrowing cost	-	30
Unwinding of discount (discounting)		
-Security deposit received	62	186
-Asset retirement obligation	2	2
-Security deposit paid	-	32
Total	1,909	2,317
26 Depreciation and amortization expense		
Depreciation on property, plant and equipment (refer note below)	943	949
Depreciation on right of use assets	758	718
Amortization of intangible assets	3	3
Total	1,704	1,670

Note: Depreciation on property, plant and equipment includes the impact of reversal of revaluation reserve of tangible assets in relation to assets retired during the year INR 61 Million (31 March 2022 INR 136 Million).

27 Income tax expense		
Current Tax	290	-
Deferred Tax	248	515
Total Current Tax Expense	538	515
Other Comprehensive Income		
Deferred Tax Expense	228	73
Total	228	73

Refer explanation of the relationship between the tax expense and (loss)/profit before tax is as follows:

Profit before tax	2,153	1,962
Tax calculated at applicable domestic tax rate	542	494
Tax effects of:		
– Tax effect of amounts which are not deductible (taxable) in calculating taxable income (other than temporary)	(4)	21
Income tax expenses	538	515

Note: Since the Company follows revaluation approach, deferred tax expense arising on revaluation surplus of property, plant and equipment has been taken to other comprehensive income. The Company estimates, there is reasonable certainty that the difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

The Deferred Tax Asset/Liability balances comprise temporary differences attributable to the following:

Particulars	As at 31 March 2022	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2023
Deferred Tax Assets/ (Liabilities) arising from				
(i) Unabsorbed depreciation allowance carried forward	418	(418)	-	-
(ii) Depreciation claimed as deduction under the Income Tax Act but chargeable in the financial statements in the future years	(1,473)	(100)	(228)	(1,801)
(iii) Finance lease obligations	426	126	-	552
(iv) Allowance for doubtful receivables	65	122	-	187
(v) Others	(68)	22	-	(46)
Net Deferred Tax Asset/ (Liabilities)	(632)	(248)	(228)	(1,108)

Particulars	As at 31 March 2021	Recognised in profit and loss	Recognised in other comprehensive income	As at 31 March 2022
Deferred Tax Assets/ (Liabilities) arising from				
(i) Unabsorbed depreciation allowance carried forward	998	(580)	-	418
(ii) Depreciation claimed as deduction under the Income Tax Act but chargeable in the financial statements in the future years	(1,318)	(82)	(73)	(1,473)
(iii) Finance lease obligations	296	130	-	426
(iv) Allowance for doubtful receivables	51	14	-	65
(vi) Others	(69)	1	-	(68)
Net Deferred Tax Asset	(42)	(516)	(73)	(632)

Tax losses expire as follows :

Particulars	As at 31 March 2023		As at 31 March 2022	
	Gross Amount	Recognized tax effect	Gross Amount	Recognized tax effect
Unabsorbed depreciation for which deferred tax asset has been recognised- the unused tax losses have indefinite life as per local laws.	-	-	1,662	418

28. Financial instruments

28.1 Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk.

Risk Management framework

The Company's management has overall responsibility for establishment and oversight of the risk management framework. Risk management is essential to the Company's long term plans, long term and short term decision making and daily activities. The Company's management considers Enterprise Risk Management as an integral part of risk operations. It also creates a risk awareness culture in the Company and ensures effective risk management which provide greater assurance in meeting the Company's business objectives.

As part of risk management, the Company's management oversees the different compliances using variety of mechanisms that includes among others the support from its internal auditors.

The Company has exposure to the following risks from its use of financial instruments:

a) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The carrying nominal amounts of financial assets represents the maximum credit risk exposure.

Credit Risk Management:-

For other financial assets, the Company assesses and manages credit risk based on internal assessment. Internal assessment is performed by the Company for each class of financial instruments with different characteristics. The Company assigns the credit assessment to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information and the following indicators are specifically incorporated:

- Internal assessment
- actual or expected significant changes in business, financial or economic conditions that are expected to cause a significant change to the other entity's ability to meet its obligations
- Actual or expected significant changes in the operating results of the entity.
- Significant increase in credit risk on other financial instruments of the entity.

In monitoring credit risk, accounts receivable are grouped according to aging profile, maturity and existence of history of financial difficulties. The Company's exposure to credit risk on trade receivables for energy charges (billed and unbilled) is restricted to any variances observed post verification by the customer's technical team. Infrastructure provisioning fees receivables are normally received within 30-35 days from the date of invoice and credit risk from these receivables is considered low.

Exposure to credit risk

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings with the Company for extension of credit to customers. The Company monitors the payment track record of its customers.

The maximum exposure to credit risk at the reporting date was:

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables	2,455	2,546
Unbilled Revenue	665	432
Other receivables	-	-
Total	3,120	2,978
Movements on the allowances for doubtful trade receivables are as follows:		
Balance as at beginning of the year	259	205
Add : Allowance for doubtful trade receivables	487	54
Less: Provisions written back to the extent no longer required	-	-
Less: doubtful trade receivables written off against provision	(1)	-
Closing Balance at the end of the year	745	259

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Other financial assets

The maximum exposure to credit risk in other financial assets is summarized as follows:

Expected credit loss for trade receivables

Year ended 31 March 2023:

Ageing	Not due	0-90 days	91-180 days	181-365 days	1 - 2 years	2 - 3years	Total
Gross carrying amount	-	1,558	935	215	278	214	3,200
Expected loss rate	-	20%	27%	22%	27%	26%	
Expected credit losses (Loss allowance provision)		308	257	48	76	56	745
Carrying amount of trade receivables (net of impairment)	-	1,250	678	167	202	158	2,455

Year ended 31 March 2022:

Ageing	Not due	0-90 days	91-180 days	181-365 days	1 - 2 years	2 - 3years	Total
Gross carrying amount	45	1,375	556	549	217	63	2,805
Expected loss rate	-	2%	14%	16%	21%	24%	
Expected credit losses (Loss allowance provision)	-	33	76	89	46	15	259
Carrying amount of trade receivables (net of impairment)	45	1,342	480	460	171	48	2,546

Significant estimates and judgments - Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

28.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's approach towards liquidity management (cash and cash equivalents) is to ensure, as far as possible, that the Company will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring substantial losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected tax dues, operational expenses and other financial obligations through Cash Flow forecast and accordingly arranges for sufficient liquidity/funds to make the expected payment from internal accruals.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

Particulars	As at 31 March 2023							
	Carrying amount	Contractual cash flows (including interest)	Less than 3 months	3 months to 6 months	7-12 months	1-2 year	2-5 years	More than 5 years
Borrowings (including current maturities and interest accrued on long term debts)	5,575	5,653	220	220	465	1,004	3,744	-
Lease liabilities	12,543	26,768	378	379	767	1,558	4,819	18,867
Trade payables	753	753	753	-	-	-	-	-
Other financial liabilities (Employee benefit payable, Payable to capital creditors and security deposit received, derivative financial liability)	1,003	1,088	765	8	28	68	184	35
Total	19,874	34,262	2,116	607	1,260	2,630	8,747	18,902

Particulars	As at 31 March 2022							
	Carrying amount	Contractual cash flows (Including interest)	Less than 3 months	3 months to 6 months	7-12 months	1-2 year	2-5 years	More than 5 years
Borrowings (including current maturities and interest accrued on long term debts)	6,436	6,523	259	196	416	905	3,329	1,418
Lease liabilities	11,322	24,698	336	337	678	1,386	4,362	17,599
Trade payables	681	681	681	-	-	-	-	-
Other financial liabilities (Employee benefit payable, Payable to capital creditors and security deposit received)	795	937	493	5	18	35	212	174
Total	19,234	32,839	1,769	538	1,112	2,325	7,903	19,191

28.3 Market Risk - Interest rate risk

Market risk is the risk that the cash flows of the financial instruments will fluctuate because of changes in foreign exchange rates, interest rates and prices of financial instruments which in turn, affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising returns. However, the Company does not hold any financial instrument for which market risk arises due to market price movement (other than interest rate and to a very limited extent currency rate) and impacts the Company's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk is the risk due to changes in interest rates on borrowings. The current rate of interest is 9.3% based on 1 year Marginal Cost of funds, which will be due for reset in November 2023 (1 year from the initial disbursement date and every anniversary thereof).

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk.

At the end of the reporting year the interest rate profile of the Company's interest-bearing financial instruments was:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Interest Rate	Balance	Interest Rate	Balance
Floating rate instruments (MCLR based)				
Long term debt (including current maturities)	9.3%	5,575	8.9%	6,423

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates for loans as at the end of the year would have increased/ (decreased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign exchange rates remain constant.

As at 31 March 2023

Particulars	Impact on profit for the year (In INR Mn)	
	100 bp increase	100 bp decrease
	Long term debt (including current maturities)	(56)
Cash flow sensitivity (net)	(56)	56

As at 31 March 2022

Particulars	Impact on profit for the year (In INR Mn)	
	100 bp increase	100 bp decrease
	Long term debt (including current maturities)	(64)
Cash flow sensitivity (net)	(64)	64

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Currency risk

The Company is exposed to currency risk on certain trade payables. The Company's foreign exchange risks are currently un-hedged.

The Company's exposure to foreign currency risk was as follows based on notional amounts of respective currencies:

Particulars	As at 31 March 2023			As at 31 March 2022		
	USD Mn	Exchange rate	INR Mn	USD Mn	Exchange rate	INR Mn
Trade payable	0.52	82.22	43	0.77	75.81	58
Net exposure	0.52		43	0.77		58

Cash flow sensitivity of currency risk

A 10 percent strengthening/weakening of INR against US Dollar (USD) as at 31 March 2023 and 31 March 2022 would have increased/ (decreased) profit for the year by the amounts (INR) shown below.

As at 31 March 2023

Particulars	Impact on profit for the year (In INR Mn)	
	10% strengthening	10% weakening
Trade payable	4	(4)
Cash flow sensitivity (net)	4	(4)

As at 31 March 2022

Particulars	Impact on profit for the year (In INR Mn)	
	10% strengthening	10% weakening
Trade payable	6	(6)
Cash flow sensitivity (net)	6	(6)

28.4 Capital management

Risk management

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital based on the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents and other bank balances)

Divided by

'Equity share capital' (as shown in the balance sheet)

Ratios are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Total borrowings including interest accrued on long term debts	5,575	6,435
Less: cash and cash equivalents and other bank balances	(4,614)	(4,088)
Net debt	961	2,347
Equity share capital	8,972	8,972
Net debt to equity share capital ratio	0.11	0.26

Loan covenant

As a part of its capital management policy the Company ensures compliance with all covenants and other capital requirements related to its contractual obligations.

28.5 Financial instruments – Fair values and risk management

i. Accounting classification and fair values

The following table shows the carrying amounts and fair value of financial assets and financial liabilities.

31 March 2023	Note	Carrying amount		
		FVTPL	FVTOCI	Amortised Cost
Financial assets not measured at fair value				
Trade receivables	5	-	-	2,455
Cash and cash equivalents	10	-	-	1,002
Other bank balances	11	-	-	3,612
Other financial assets - Current and Non Current	6	-	-	1,944
		-	-	9,012
Financial liabilities not measured at fair value				
Borrowings	14	-	-	5,575
Lease liabilities- Current and Non Current	3(b)	-	-	12,543
Trade payables	18	-	-	753
Other financial liabilities - Current and Non Current	15	-	-	1,100
		-	-	19,971

31 March 2022	Note	Carrying amount		
		FVTPL	FVTOCI	Amortised Cost
Financial assets not measured at fair value				
Trade receivables	5	-	-	2,546
Cash and cash equivalents	10	-	-	1,625
Other bank balances	11	-	-	2,463
Other financial assets - Current and Non Current	6	-	-	1,628
		-	-	8,262
Financial liabilities				
Financial liabilities not measured at fair value				
Borrowings	14	-	-	6,436
Lease liabilities- Current and Non Current	3(b)	-	-	11,323
Trade payables	18	-	-	681
Other financial liabilities - Current and Non Current	15	-	-	795
		-	-	19,235

ii) Measurement of fair values

The fair values of trade receivables, cash and cash equivalents, other bank balances, other current financial assets, trade payables and other current financial liabilities are the same as their carrying amount, due to their short-term nature.

The fair value of non-current security deposit received, borrowings and lease liabilities were calculated based on cash flows discounted using the lending rate.

29. Operating leases

Company as lessee

The Company has significant leasing agreements in respect of leases for its various office premises, sites and warehouses. Refer note 2.7 and note 3(b) for further information.

Company as lessor

The Company provides passive infrastructure comprising mainly Roof Top Towers and Ground Based Towers to various telecom operators under indexed operating lease agreement. The future minimum lease payments related to the Company in-respect of non-cancellable leases is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Non-cancellable operating lease rentals are receivable as follows:		
Less than one year	3,392	3,551
Between one and five years	7,904	9,026
Later than five years	1,960	1,718
Total	13,256	14,295

30. Contingent Liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Litigations:		
(i) Service tax (refer to 'a' below)	660	660
(ii) Others (refer to 'b' & 'c')	58	58
Grand Total	718	718

a) During the earlier years, the Company received an order passed by the Commissioner of Service Tax, for certain Central Value Added Tax ('CENVAT') credits, amounting to INR 478 Million which had been availed by the Company in earlier years. According to the said order the Company had availed CENVAT credit against goods which did not qualify as either 'capital goods' or 'inputs', as specified under Rule 2 of the CENVAT Credit rules, 2004. The Company has paid an amount of INR 36 Million under protest in relation to this matter. On 31 October 2018, the Honorable High Court ("DHC") ruled in favour of the Company wherein it was held that towers and shelters are moveable in nature and qualify as 'capital goods' and hence Cenvat credit can be availed on such goods. An appeal has been filed against the DHC order by the Commissioner of Central Excise in the Honorable Supreme Court of India and the case shall come up for hearing in due course. In addition, the Company received various demand cum show cause notices ("SCNs") for the period after March 2011 for a sum of INR 182 Million, from the office of the Commissioner of Service Tax/Central Tax, on grounds similar to the earlier order, mentioned above. The Company filed replies to all SCNs and these SCNs are pending adjudication before the Commissioner of Central Tax (earlier Service Tax). Based on the judgment of the DHC which was decided in favor of the Company, and an earlier opinion received from an external legal counsel, Management is confident that the said demands and SCNs are not tenable against the Company and accordingly no provision has been made for these amounts.

b) In respect of earlier years, the Company had received a demand of INR 58 Million (31 March 2022 - INR 58 Million) related to property tax which is under adjudication before the Honorable Bombay High Court. Management is of the view, based on the expert legal advice, that it is more likely than not that the Company will not be required to pay the demand and accordingly no provision was made for this amount.

In December 2016 the Honorable Supreme Court of India had passed a judgment setting aside the Gujarat High Court order in relation to property tax and upheld the imposition of property tax on telecom towers. The matter was taken up for hearing in September 2022. The next date of hearing is yet to be notified. During the pendency of the writ petition, the Maharashtra State Government has set up committee ("Committee") to decide upon and reconsider the issue. The committee has not yet submitted its report. In this regard, Management is of the view that as on date a reliable estimate of the amounts payable to various municipal authorities on account of property tax cannot be made, since the period of payment and amount payable for each site is not ascertainable and yet to be decided by the various municipal authorities. Accordingly, no provision has been made for the respective amounts.

c) In February 2019, the Honorable Supreme Court of India in its judgement clarified the applicability of allowances that should be considered to measure obligations under Employees Provident Fund Act, 1952. The Company is of the view that there are many interpretative challenges on the application of judgement retrospectively and as such the Company does not consider any probable obligations for past periods. Accordingly, with effect from March 2019, the Company has been paying provident fund contribution as per the clarification provided by the Honorable Supreme Court of India.

31. Capital Commitments

	As at 31 March 2023	As at 31 March 2022
Capital Commitments (refer note below)	243	189
Total	243	189

Note: Net of capital advance of INR 22 Million (31 March 2022 INR 16 Million)

32. Related Party

Where control exists

Ultimate Holding Company

Quadrangle (TVM) Mauritius Limited

Holding Company

Tower Vision Mauritius Limited

Enterprises which are under common control with the Company

T.V Tower Vision 2015 Ltd

Key Management Personnel

Non-executive directors

Mr. Amit Ganani
 Mr. Moshe Shushan
 Mr. Michael Huber
 Ms. Susan Fung Yee
 Ms. Simran Lakhwinder Singh
 Mr. Nihal Harshavardhan Doshi

Executive officers

Mr. Lior Mizrahi– Group Chief Financial Officer (CFO)
 Mr. Vijay Kumar Jain– COO

Company secretary

Ms. Saloni Narang till 31 December 2021
 Ms. Meera Sawhney w.e.f 7 February 2022

During the year, the Company carried out transactions with related parties in the normal course of business. The name of these related parties, nature of these transactions and their total value have been set out below :

Transactions with Key Management Personnel

	For the year ended 31 March 2023	For the year ended 31 March 2022
Executive officers		
Salaries, wages and bonus	20	17
Shared based payments (refer note 38)	11	14
Payment to non-executive directors		
Director sitting fee and remuneration	3	3
Payment to company secretary		
Salaries, wages and bonus	1	2

Note :

- As at 31 March 2023 and 31 March 2022, none of the Company's directors and executive officers had any outstanding personal loans from the Company.
- Liability for gratuity and compensated absences is provided on actuarial basis for the Company as a whole and the amount pertaining to the above key management personnel is not ascertainable on a standalone basis and, therefore, not included above.

Other related party transactions

Related party transactions during the year:

Sl. No.	Name of related parties	Nature of Transaction	For the year ended 31 March 2023	For the year ended 31 March 2022
1	T.V Tower Vision 2015 Ltd	Management charges	157	144

Outstanding Payable balance with related parties:

Sl. No.	Name of related parties	Nature of balance	As at 31 March 2023	As at 31 March 2022
1	T.V Tower Vision 2015 Ltd	Trade Payable	42	58

Note :

- The Company's exposure to currency and liquidity risk in respect of related party payables is disclosed in note 28.
- In addition, borrowings as disclosed in note 14 were secured by an irrevocable and unconditional continuing corporate guarantee given by the Tower Vision Mauritius Limited.

33. Earning per share (EPS)

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:

Basic earnings per share	Year ended	
	As at 31 March 2023	As at 31 March 2022
Profit attributable to equity shareholders	1,615	1,447
Weighted average number of shares outstanding during the year	897	897
Basic earning per share (in INR)	1.80	1.61
Diluted earnings per share	Year ended	
	As at 31 March 2023	As at 31 March 2022
Profit attributable to equity shareholders	1,615	1,447
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	897	897
Adjustments for calculation of diluted earnings per share:		
Add: Shares on account of employee stock options	-	3
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	897	900
Diluted earning per share (in INR)	1.80	1.61

The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares unless the impact is anti-dilutive.

34. Corporate Social Responsibility expenses: As per Section 135 of the Companies Act 2013, details of corporate social responsibility expenses incurred by the Company are as follows:

Particulars	For the Year	
	ended 31 March 2023	ended 31 March 2022
Bharti Foundation	9	-
Prime Minister National Relief Fund	10	17
PM-CARES Fund	12	4
Swachh Bharat Kosh	5	9
National Defence Fund	13	4
Total	49	34
Amount required to be spent as per Section 135 of the Act	49	34
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	49	34

35. Other Litigations

a) One of the Company's erstwhile customers, Videocon Telecommunications Limited (VTL) is undergoing corporate insolvency process and the resolution plan was approved by National Company Law Tribunal (NCLT). On 25 June 2018, the Company had submitted its claim of INR 1,162 million to the Interim Resolution Professional based on the award granted by an Arbitration Tribunal in its favor. As per the approved resolution plan, the Company were to receive 0.12% out of its claimed amount. Some dissenting financial creditors challenged the resolution plan before the National Company Law Appellate Tribunal (NCLAT). The NCLAT set aside the said award and referred the matter to the committee of creditors.

The treatment and outcome of this case shall be only known on disposal of the various litigations.

TVI had filed a Section 9 petition under the Arbitration and Conciliation Act, 1996 on 28 March 2016 against VTL for interim reliefs and sought an injunctive relief restraining VTL from selling, transferring or creating any third-party interest in its spectrum for licensed service areas. TVI also filed an interim application before the High Court of Delhi seeking, inter alia, orders directing VTL or the relevant agent/party with the necessary powers, to permit withdrawal of INR 1,258 million from the escrow account and deposit it with the Registrar General of the court. VTL has also filed an interim application before the High Court of Delhi, seeking recall of the order dated 13 July 2016, which required VTL to provide details of the escrow account or any other order where proceeds from the sale of spectrum, are held. These applications are currently pending before the High Court of Delhi and are listed on 19 September 2023 for further proceedings.

On 14 September 2016, the High Court of Delhi passed an order directing that, as the claim of TVI is for a sum of INR 467 million, VTL is to deposit a sum of INR 93 million (i.e. 20% of the amount claimed) with the Registrar General of the court by way of a bank guarantee. VTL has challenged this judgement by way of an appeal before a Division Bench of the High Court of Delhi. Further, appeals have been filed by Sudhir Chintamani and State Bank of India against TVI challenging the judgement dated 14 September 2016 of the High Court of Delhi. The High Court of Delhi has passed an interim order directing State Bank of India to retain the amount of INR 1,042 million in an escrow account. These appeals are presently pending before the court and the next date of hearing is 12 July 2023.

b) In January 2012, SJ Varghese and M/s SJ Varghese & Co. LLP (collectively called the "Plaintiffs") had filed a suit (the "Suit"), along with an application for interim relief against Tower Vision Limited Partnership, Tower Vision Jersey Limited, Tower Vision Mauritius Limited, the Company and others (collectively called the "Defendants") before the DHC seeking, among other things, shares in the Company, as compensation for various activities that the Plaintiffs supposedly performed for certain Defendants and parties related to them. Against the application, the DHC granted an interim, ex-parte order restraining the Defendants from prejudicially affecting the shares in the Company that the Plaintiffs claimed from the Defendants. On 16 November 2012, the Suit was dismissed, and the interim order was vacated.

On 12 December 2012, the Plaintiffs filed an appeal (the "Appeal") against vacation of the same order and dismissal of the Suit. Subsequently, on 19 December 2012, the Appellate Bench of the DHC passed an interim order pursuant to which, until the decision on the Appeal, any transaction for sale of shares / shareholding or transfer of business carried out by the defendants would be subject to outcome of the Appeal. Since 2013, the Appeal has been put up for hearing numerous times before the Division Bench of the DHC without any substantive outcome and the order passed on 19 December 2012 is still effective.

The Company has filed an application in the DHC for dismissal of the Appeal. The Appeal is now posted for hearing on 17 July 2023.

The Company believes that it has a meritorious defense, and the Appeal will be decided in its favor.

c) The Company has certain pending Show Cause Notices (SCNs)/ litigations related to Value Added Tax (VAT), Central Sales Tax (CST), Service Tax and Goods & Services Tax (GST) amounting to INR 47 million (31 March 2022 INR 47 million). Management is of the view, based on the expert legal advice, that the demands raised against the Company in respect of these SCNs/litigations are not tenable and the likelihood of outflow of resources is remote. Accordingly, these demands have not been considered as contingent liabilities.

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36. Ratios

The following are analytical ratios for the year ended 31 March 2023 and 31 March 2022

S.No.	Ratios	Numerator	Denominator	31 March 2023	31 March 2022	% Variance	Reason for variance
i	Current Ratio,	Current Assets	Current Liabilities	2.51	2.78	-10%	
ii	Debt-Equity Ratio	Total Debt	Shareholder's equity	0.43	0.59	-28%	Decrease in debt equity ratio is on account of decrease in debt due to repayment and increase in equity due to increase in total comprehensive income.
iii	Debt Service Coverage Ratio*	Earning available for debt service	Debt service	1.80	1.87	-4%	
iv	Return on Equity Ratio	Net profits after tax	Average shareholder's equity	14%	14%	-6%	
v	Trade Receivables turnover ratio	Net credit sales	Average Trade receivables [#]	3.75	3.84	-2%	
vi	Trade payables turnover ratio	Net credit purchases (Total expenses)	Average Trade payables (opex)	7.09	7.08	0%	
vii	Net capital turnover ratio	Net credit sales	Average working capital	2.53	2.34	8%	
viii	Net profit ratio	Net profits after tax	Net credit sales	0.14	0.13	5%	
ix	Return on Capital employed	Earning before interest and taxes	Capital employed = Tangible Net worth + Total Debt + Deferred Tax Liability	0.21	0.24	-14%	

Notes:

Considering the nature of Company's business, the following ratios cannot be meaningfully calculated:

-Inventory turnover ratio

-Return on investment

* Debt service excludes one time additional repayment of amount of INR Nil (31 March 2022 INR 1,462 million).

Includes unbilled revenue

37. One of the Company's customer accounted for a substantial part of revenue from operations for the year ended 31 March 2023 and constitutes a significant part of outstanding trade receivables as at 31 March 2023.

As at 31 March 2023, the total receivable balance recorded in respect of this customer is net of allowance for doubtful receivables of INR 630 million (as at 31 March 2022: INR 66 million).

The said customer has stated in its declared result for the year ended 31 March 2023, that its ability to continue as a going concern is dependent on raising additional funds as required, successful negotiations with lenders and vendors for continued support and generation of cash flow from operations that it needs to settle its liabilities as they fall due. As further reported by the said customer, it has met all its debt obligations payable to its lenders / banks and financial institutions along with applicable interest.

The said customer in its filing with Stock exchange on 7 February 2023 informed that it has allotted 16,133,184,899 equity share of face value of Rs 10 each at an issue price of Rs 10 per equity share aggregating to Rs 161,331 million to the Department of Investment and Public Asset Management, Government of India (acting through President of India) on account of conversion of Net present value of the interest amount related to deferment of spectrum auction instalments and AGR dues.

Further, the said customer, inter alia, acquired 5G spectrum in the auction concluded on 1 August 2022. The total commitment for the spectrum so acquired in this auction is INR 187,993 million with annual instalment of INR 1,680 million over 20 years. The first annual instalment has already been paid by the said customer post which the spectrum has been allotted.

The above developments are cumulatively expected to improve the overall financial and cash flow position of the said customer and based on its assessment of this matter, management continues to believe that, as on date, the net outstanding trade receivable balance due from this customer is fully recoverable and hence, no further allowance for doubtful receivables is considered necessary.

38. The Company is engaged in the business of establishing, operating and maintaining wireless communication towers. This is the only activity performed and there are no components of the Company that may be identified as a reportable segment. Further, as the Company does not operate in more than one geographical segment, the relevant disclosures as per Ind AS 108, "Operating Segments" are not applicable to the Company.

39. The Holding Company (Tower Vision Mauritius Limited) has entered into a Share Purchase Agreement for sale of its entire shareholding in the Company. This transaction is expected to close in the near future.

40. Additional notes

(a) The Company does not have any immovable property other than properties where the Company is a lessee and the lease agreements are duly executed in favour of the lessee.

(b) No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder,

(c) The Company has not been declared as a wilful defaulter by any bank of financial Institution or other lender during the current and previous year.

(d) There are no charges or satisfaction yet to be registered with ROC beyond the statutory period during the current and previous year.

(e) There are no funds which 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 to or on behalf of the Ultimate Beneficiaries.

(f) There are no funds which 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 from or on behalf of the Ultimate Beneficiaries.

Tower Vision India Private Limited
(Company Identification No: U64203DL2006PTC145455)
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- (g) There are no transactions which have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the current and previous year.
(h) The Company has not traded or invested in Crypto currency or Virtual currency during the current and previous year.
(i) The Company has not revalued its Right-of-Use assets and intangible assets during the current and previous year.
(j) The Company has entered into some transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the current and previous year (refer below)

Relationship with struck off companies

Name of struck off company	Nature of transaction	Transactions during the year 31 March 2023	Balance outstanding at the end of the year as at 31 March 2023	Relationship with the Struck off company, if any, to be disclosed
Acquirer Communication Private Limited	Purchase	-	0	Vendor
Deep Hitech Engicon Private Limited	Purchase	0	0	Vendor
Dhra Propwell Private Limited	Purchase	0	-	Vendor
Nuclear Infratel Private Limited	Purchase	-	0	Vendor
Palat Engineers India Private Limited	Purchase	-	0	Vendor

Name of struck off company	Nature of transaction	Transactions during the year 31 March 2022	Balance outstanding at the end of the year as at 31 March 2022	Relationship with the Struck off company, if any, to be disclosed
Acquirer Communication Private Limited	Purchase	-	0	Vendor
Deep Hitech Engicon Private Limited	Purchase	0	0	Vendor
Dhra Propwell Private Limited	Purchase	0	-	Vendor
Nuclear Infratel Private Limited	Purchase	-	0	Vendor
Palat Engineers India Private Limited	Purchase	-	0	Vendor
United Gensets Private Limited	Purchase	0	-	Vendor

41. Amount disclosed as "0" are due to rounding off in Million.

The accompanying notes are an integral part of these financial statements.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024
MOHIT AGGARWAL Digitally signed by MOHIT AGGARWAL
Date: 2023.06.09 19:25:19 +05'30'
Mohit Aggarwal
Partner
Membership Number : 519803

Place: Gurugram
Date: 09 June 2023

*For and on behalf of the Board of Directors of
Tower Vision India Private Limited*

AMIT GANANI Digitally signed by AMIT GANANI
Date: 2023.06.09 13:11:46 +05'30'
Amit Ganani
Director
DIN: 011102235

MICHAEL ANTHONY HUBER Digitally signed by MICHAEL ANTHONY HUBER
Date: 2023.06.08 21:56:42 +05'30'
Michael Huber
Director
DIN: 06599951

MEERA SAWHNEY Digitally signed by MEERA SAWHNEY
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Meera Sawhney
Company Secretary

Place: Gurugram
Date: 09 June 2023

VIJAY KUMAR JAIN Digitally signed by VIJAY KUMAR JAIN
Date: 2023.06.09 11:40:05 +05'30'
Vijay Kumar Jain
COO

Place: Gurugram
Date: 09 June 2023

Place: New York
Date: 08 June 2023

LIOR MICHAEL MIZRAHI Digitally signed by LIOR MICHAEL MIZRAHI
Date: 2023.06.09 11:16:22 +05'30'
Lior Mizrahi
Group CFO

Place: Gurugram
Date: 09 June 2023

Place: Gurugram
Date: 09 June 2023