

# KHANDELWAL JAIN & CO.

## CHARTERED ACCOUNTANTS

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### AUDITOR'S REPORT ON SPECIAL PURPOSE CONSOLIDATED IND AS FINANCIAL STATEMENTS

To  
Board of Directors,  
**Exicom Tele-Systems Limited**  
Gurugram, India

#### Opinion

We have audited the accompanying Special Purpose Consolidated Ind AS Financial Statements of **Exicom Tele-Systems Limited (" the Holding Company")**, its Subsidiaries (together referred to as the 'Group') which comprises the Special Purpose Consolidated Ind AS Balance Sheet as at March 31, 2023, and the Special Purpose Consolidated Statement of Profit and Loss (including other comprehensive income), and Special Purpose Consolidated Cash Flow Statement and the Special Purpose Consolidated Statement of Changes in Equity for the year then ended, and notes to the special purpose Ind AS consolidated financial statements, including a summary of significant accounting policies and other explanatory information (collectively referred to as the "Special Purpose Consolidated Ind AS Financial Statements"), which we have signed under reference to this report. The special purpose consolidated Ind AS financial statements of the Group for the year ended March 31, 2023 is prepared by the management of the Holding Company in accordance with the Indian Accounting Standards (Ind-AS) prescribed under section 133 of the Act, for the limited purpose of consideration in preparation of Restated Consolidated Financial information, in relation to the proposed Initial Public Offer of equity shares of the Holding Company.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Ind AS Consolidated Financial Statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.



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### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SA"s) 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 special purpose consolidated Ind AS 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 financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the special purpose consolidated Ind AS financial statements.

### **Management's Responsibility for the Special Purpose Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these special purpose consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 special purpose consolidated Ind AS 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 special purpose consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the special purpose consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Boards of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.



**Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the special purpose consolidated Ind AS 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 special purpose consolidated Ind AS 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 special purpose consolidated Ind AS 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 Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 special purpose consolidated Ind AS 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 special purpose consolidated Ind AS financial statements, including the disclosures, and whether the special purpose consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the special purpose consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statement of such entities included in the special purpose consolidated Ind AS financial statement of which we are the independent auditors. For the other entities included in the special purpose consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the special purpose consolidated Ind AS financial statements, of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other Matters**

- a) We draw attention to Note 63 to the Special Purpose Consolidated Financial Statements regarding there is a deficit in net assets of Rs.55.37 lakhs as at March 31, 2023. As stated in Note 63, these events or conditions, along with other matters as set forth in note 63 indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.
- b) We did not audit the standalone financial statements of the two subsidiaries Exicom Tele-Systems (Singapore) Pte. Ltd. and Horizon Tele-Systems SDN BHD for the year ended March 31, 2023, whose share of total assets (before consolidation adjustments), total revenues (before consolidation adjustments) and net cash flows inflows / (outflows) (before consolidation adjustments) for the respective years have been given in the table below. The financial statements of these subsidiaries have been audited by other auditors, mentioned below, and whose reports for the year ended March 31, 2023 have been furnished to us by the Company's management and our opinion, in so far as it relates to the amounts and disclosures included in the special purpose consolidated Ind AS financial statements are based solely on the audit reports of the other auditors.

Further, these two subsidiaries are located outside India whose financial statements for year ended March 31, 2023 have been prepared in accordance with accounting principles generally accepted in that country and which have been audited by other auditor under generally accepted auditing standards applicable in that country. The Holding Company's management has converted the financial statements of these subsidiaries located outside



India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management.

Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India for the said years is based solely on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(Rs. in Lakhs)				
<b>Exicom Tele-Systems (Singapore) Pte. Ltd.</b>	<b>Auditors</b>	<b>Total Assets</b>	<b>Total Revenue</b>	<b>Net Cash Flow</b>
FY 2022-23	Ernst & Young LLP, Public Accountants and Chartered Accountants	24,857.85	17,126.65	(947.43)
<b>Horizon Tele-Systems SDN BHD</b>	<b>Auditors</b>	<b>Total Assets</b>	<b>Total Revenue</b>	<b>Net Cash Flow</b>
FY 2022-23	TCMK Associated, Chartered Accountants	3,571.04	2805.63	5.27

- c) Special purpose Consolidated Ind AS Financial Statements for the year ended March 31, 2023 doesn't include the financial statements, in respect of one subsidiary, Horizon Power Solutions DMCC, Dubai, the financial statements of the said subsidiary have not been furnished to us by the management and we are unable to express an opinion on the Special purpose Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary.

Our opinion on the special purpose consolidated Ind AS financial statements is not modified in respect of the above matters.

#### **Basis of preparation and Restriction on Distribution and Use**

Without modifying our opinion, we draw attention to Note 3 to the special purpose consolidated Ind AS financial statements, which describes the basis of preparation. The special purpose consolidated Ind AS financial statements have been prepared by the management of the Holding Company and approved by the Board of Directors for the



purpose to enable the Holding Company to include and compile financial information including Restated Consolidated Financial information, being prepared in its Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus / other offer documents. As a result, the special purpose consolidated Ind AS financial statements may not be suitable for any other purpose.

Our report is intended solely for the use of management of the Holding Company and should not be distributed to or used by other parties. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or whose hands it may come without our prior consent in writing.

**For Khandelwal Jain & Co.**  
**Chartered Accountants**  
**Firm Registration No. 105049W**



**Naveen Jain**  
**Partner**



**Membership No. 511596**  
**UDIN No.: 23511596 BGX DDG 2314**

Place: Gurugram

Dated: September 15, 2023

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, Plant and Equipment	5	4,985.43	6,528.81
(b) Right-of-Use Assets	6	1,347.28	1,891.13
(c) Goodwill on Consolidation	7	24.66	32.89
(d) Intangible Assets (other than Goodwill)	7	1,556.93	1,616.41
(e) Intangible Assets under Development	8	456.07	1,752.68
(f) Financial Assets			
(i) Investments	9	124.60	92.89
(ii) Trade Receivables	10	666.75	987.54
(iii) Others	11	370.30	441.51
(g) Deferred Tax Assets (Net)	12	2,197.00	2,329.54
(h) Other Non-Current Assets	13	1,324.79	1,300.23
<b>Total Non-Current Assets</b>		<b>13,053.81</b>	<b>16,973.63</b>
<b>Current Assets</b>			
(a) Inventories	14	12,829.25	13,613.26
(b) Financial Assets			
(i) Trade Receivables	15	31,450.93	16,858.10
(ii) Cash and Cash Equivalents	16	3,795.94	4,319.84
(iii) Bank Balances other than (ii) above	17	1,389.89	1,222.57
(iv) Others	18	84.70	73.94
(c) Current Tax Assets (Net)	19	1,016.08	436.32
(d) Other Current Assets	20	6,193.89	6,623.00
(e) Assets Held for Sale	21	694.51	-
<b>Total Current Assets</b>		<b>57,455.19</b>	<b>43,147.03</b>
<b>Total Assets</b>		<b>70,509.00</b>	<b>60,120.66</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	22	723.02	723.02
(b) Other Equity	23	22,476.85	21,266.81
<b>Total Equity</b>		<b>23,199.87</b>	<b>21,989.83</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	24	8,332.32	7,916.14
(ii) Lease Liabilities	6	1,159.30	1,509.50
(iii) Others	25	99.87	135.31
(b) Provisions	26	808.35	829.97
<b>Total Non-Current Liabilities</b>		<b>10,399.84</b>	<b>10,390.92</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	27	3,459.15	2,850.71
(ii) Lease Liabilities	6	350.20	488.65
(iii) Trade Payables	28		
(A) total outstanding dues of micro enterprises and small enterprises ; and		2,565.31	3,423.30
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		25,621.52	13,119.38
(iv) Others	29	1,598.68	1,237.95
(b) Other Current Liabilities	30	3,011.88	6,355.11
(c) Provisions	31	302.55	264.81
<b>Total Current Liabilities</b>		<b>36,909.29</b>	<b>27,739.91</b>
<b>Total Equity and Liabilities</b>		<b>70,509.00</b>	<b>60,120.66</b>
Summary of Significant accounting policies and other notes to Special Purpose Consolidated Ind AS Financial Statements	1-65		

The accompanying notes form an integral part of these Special Purpose Consolidated Ind AS Financial Statements

As per our report of even date

For Khandelwal Jain & Co.  
Chartered Accountants  
Firm Registration No. 105049W



Naveen Jain  
Partner  
Membership No. 511596



Place: Gurugram  
Date: September 15, 2023

For and on behalf of the Board of Directors



Anant Nahata  
Managing Director Cum CEO  
DIN:02216037

  
Sangeeta Karnatak  
Company Secretary  
M.No. 25216



Subhash Chander Rustgi  
Director  
DIN:06912968

  
Shiraz Khanna  
Chief Financial Officer



Sr. No.	Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
I	INCOME			
I	Revenue from operations	32	70,793.05	84,280.54
II	Other Income	33	1,546.82	615.24
III	<b>Total Income (I+II)</b>		<b>72,339.87</b>	<b>84,895.78</b>
IV	EXPENSES			
	Cost of Material Consumed	34	35,988.97	23,005.75
	Purchase of Stock-in-Trade	35	15,302.58	42,970.42
	Changes In Inventories of Finished Goods, Work-In-Progress And Stock-In-Trade	36	491.60	(788.80)
	Employee Benefits Expenses	37	6,459.90	5,568.23
	Manufacturing Expenses	38	1,488.15	1,181.87
	Finance Costs	39	1,900.83	1,852.28
	Depreciation and amortization expenses	40	1,646.82	1,527.03
	Other Expenses	41	5,122.18	5,039.53
	R&D Expenses	42	708.66	563.15
	<b>Total Expenses (IV)</b>		<b>69,109.69</b>	<b>80,919.46</b>
V	<b>Profit / (Loss) before exceptional items and tax from continuing operations (III-IV)</b>		<b>3,230.18</b>	<b>3,976.32</b>
VI	Exceptional Items		-	-
VII	<b>Profit / (loss) before tax from continuing operations (V-VI)</b>		<b>3,230.18</b>	<b>3,976.32</b>
VIII	Tax expense	56		
	(1) Current Tax		-	931.97
	(2) Deferred Tax & MAT Credit		138.53	158.73
	(3) Income Tax for Earlier Years		(175.70)	0.85
IX	<b>Profit / (Loss) for the year from continuing operations (VII-VIII)</b>		<b>3,267.35</b>	<b>2,884.77</b>
X	Profit / (Loss) before tax for the year from discontinued operations	62	(2,465.90)	(2,525.91)
XI	Tax Expenses of discontinued operations		-	-
XII	<b>Profit / (Loss) from discontinued operations (After Tax) (X-XI)</b>		<b>(2,465.90)</b>	<b>(2,525.91)</b>
XIII	<b>Profit / (Loss) for the year (IX+XII)</b>		<b>801.45</b>	<b>358.86</b>
XIV	Other Comprehensive Income ('OCI')			
	(a) Items that will not be reclassified to profit or loss			
	Equity Instruments measured at Fair value		-	-
	Tax on above Item		-	-
	Re-measurement gains/(loss) on defined benefits plans		(18.70)	54.27
	Tax on above Item		5.93	14.11
	(b) Items that will be reclassified to profit or loss			
	Exchange gain / (loss) on translation of foreign operations		421.36	227.70
	<b>Other Comprehensive Income (OCI) (After Tax)</b>		<b>408.59</b>	<b>296.08</b>
XV	<b>Total Comprehensive Income for the year (XIII+XIV)</b>		<b>1,210.04</b>	<b>654.94</b>
XVI	Profit attributable to:			
	Owners of the Parent		801.45	358.86
	Non-controlling Interests		-	-
XVII	Other Comprehensive Income attributable to:			
	Owners of the Parent		408.59	296.08
	Non-controlling Interests		-	-
XVIII	Total Comprehensive Income attributable to:			
	Owners of the Parent		1,210.04	654.94
	Non-controlling Interests		-	-
	<b>Earnings per equity share (for continuing operations)</b>	43		
	Basic EPS		45.19	39.90
	Diluted EPS		45.19	39.90
	<b>Earnings per equity share (for discontinued operation)</b>			
	Basic (In Rs.)		(34.11)	(34.94)
	Diluted (In Rs.)		(34.11)	(34.94)
	<b>Earnings per equity share (for discontinued &amp; continuing operation)</b>			
	Basic (In Rs.)		11.08	4.96
	Diluted (In Rs.)		11.08	4.96
Summary of Significant accounting policies and other notes to Special Purpose Consolidated Ind AS Financial Statements		1-65		

The accompanying notes form an integral part of these Special Purpose Consolidated Ind AS Financial Statements

As per our report of even date

For Khandelwal Jain & Co.  
Chartered Accountants  
Firm Registration No. 105049W

  
Naveen Jain  
Partner

Membership No. 511596



Place: Gurugram  
Date: September 15, 2023

For and on behalf of the Board of Directors

  
Anant Nahata  
Managing Director Cum CEO  
DIN:02216037

  
Sangeeta Karnatak  
Company Secretary  
M.No. 25216

  
Subhash Chander Rustgi  
Director  
DIN:06922138

  
Shiraz Khanna  
Chief Financial Officer



(A) Equity Share Capital

Particulars	Amount
Balance as at March 31, 2021	723.02
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at April 01, 2021	723.02
Changes in equity share capital during the year	-
Balance as at March 31, 2022	723.02
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at April 01, 2022	723.02
Changes in equity share capital during the year	-
Balance as at March 31, 2023	723.02

(B) Other Equity

Particulars	Reserves and Surplus			Other Comprehensive Income			Total
	Securities Premium Reserve	Equity Component of Compound Financial Instruments	Retained Earnings	Remeasurement of defined benefit plans	Exchange difference on translation of foreign operations	Equity Instruments through OCI	
<b>As at March 31, 2021</b>	6,163.35	1,325.80	12,656.05	-	1,004.62	(537.95)	20,611.87
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance as at April 01, 2021	6,163.35	1,325.80	12,656.05	-	1,004.62	(537.95)	20,611.87
Profit/(Loss) for the year	-	-	358.86	-	-	-	358.86
Other Comprehensive Income/(Loss) for the year	-	-	68.38	-	-	-	296.08
<b>Total Comprehensive Income/(Loss) for the year</b>	-	-	427.24	-	227.70	-	654.94
Issued during the Year	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-
Change in Reserves and Surplus	-	-	-	-	-	-	-
<b>As at March 31, 2022</b>	6,163.35	1,325.80	13,083.29	-	1,232.32	(537.95)	21,266.81
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance as at April 01, 2022	6,163.35	1,325.80	13,083.29	-	1,232.32	(537.95)	21,266.81
Profit/(Loss) for the year	-	-	801.45	-	-	-	801.45
Other Comprehensive Income/(Loss) for the year	-	-	(12.77)	-	421.36	-	408.59
<b>Total Comprehensive Income/(Loss) for the year</b>	-	-	788.68	-	421.36	-	1,210.04
Issued during the Year	-	-	-	-	-	-	-
Change in Reserves and Surplus	-	-	-	-	-	-	-
<b>As at March 31, 2023</b>	6,163.35	1,325.80	13,871.97	-	1,653.68	(537.95)	22,476.85
Summary of Significant accounting policies and other notes to Special Purpose Consolidated Ind AS Financial Statements							
1-65							

The accompanying notes form an integral part of these Special Purpose Consolidated Ind AS Financial Statements

As per our report of even date

For Khandelwal Jain & Co.  
Chartered Accountants  
Firm Registration No. 105049W

*R. Jain*  
Naveen Jain  
Partner  
Membership No. 511596



Place: Gurugram  
Date: September 15, 2023

For and on behalf of the Board of Directors

*Anant Nahata*  
Anant Nahata  
Managing Director Cum CEO  
DIN:02216037



*Sangeeta Karnatak*  
Sangeeta Karnatak  
Company Secretary  
M.No. 25216

*Subhash Chander Rustgi*  
Subhash Chander Rustgi  
Director  
DIN:06922968

*Shiraz Khanna*  
Shiraz Khanna  
Chief Financial Officer

(₹ in Lakhs)

Particulars		For the year ended March 31, 2023		For the year ended March 31, 2022
<b>Cash Flow from Operating Activities</b>				
Profit before tax from continuing operations		3,230.18		3,976.32
Profit before tax from discontinued operations		(2,465.90)		(2,525.91)
<b>Adjustment for :</b>				
Depreciation and Amortisation	1,905.78		1,924.32	
Finance Cost	2,193.67		2,096.53	
Lease Modification/termination adjustment- Ind AS	-		-	
Interest Income	(124.06)		(143.31)	
Interest income on fair valutaion of Non-current Trade Receivables	(73.19)			
Interest expense on fair valutaion of Non-current Trade Receivables				
Fair valuation Gain on financial instruments at FVTPL	(15.43)		(6.77)	
Effect of Exchange Rate Change	421.30		227.66	
Sundry Balance/ Excess Provision Written Back	(552.31)		48.17	
Bad Debts W/off and Impairment allowance for trade receivables and Loan and Advances	221.00		1,231.20	
Loss/(Gain) on foreign currency transaction and translation (net)	170.32		(64.33)	
Provision for warranty			40.02	
Subsidy from MSIPS	(35.35)		(35.98)	
Loss on discard of Intangible assets under development	76.50			
Loss/(Profit) on Sale of Property, Plant and equipment	2.41		(3.40)	
		4,190.64		5,314.11
<b>Operating cash flow before changes in working capital</b>		4,954.92		6,764.52
Changes in Working Capital:				
Trade & Other Receivables	(14,012.80)		10,215.10	
Inventories	784.01		(1,941.09)	
Trade Payables & Other Current Liabilities	8,935.93		(8,164.01)	
		(4,292.86)		110.00
<b>Net cash generated from operations before tax</b>		662.06		6,874.52
Taxation		(404.07)		(1,270.69)
<b>Net Cash from/(used) in Operating Activities (A)</b>		257.99		5,603.83
<b>Cash Flow from Investing Activities</b>				
Purchase of Property, Plant and equipment	(1,644.80)		(2,000.91)	
Sale of Property, Plant and equipment	2.03		4.69	
Sale of PPE and Intangible Assets under Slump Sale	2,415.09			
Sale/(Purchase) of Investments	(16.27)			
(Increase)/Decrease in Fixed Deposits (having original maturity of more than 3 months)	(80.97)		1,619.49	
Interest Received (net)	94.56		126.26	
<b>Net Cash used in Investing Activities (B)</b>		769.64		(250.47)
<b>Cash Flow from Financing Activities</b>				
Proceeds/(Repayment) of Long Term Borrowings	416.18		763.66	
Proceeds/(Repayment) of Short Term Borrowings	608.43		(297.91)	
Payment of Lease Liabilities - Principal portion	(487.52)		(479.50)	
Payment of Lease Liabilities - Interest portion	(152.00)		(172.73)	
Interest Paid	(1,936.62)		(1,530.00)	
<b>Net Cash generated from Financing Activities (C)</b>		(1,551.53)		(1,716.48)
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents during the Year (A+B+C)</b>		(523.90)		3,636.88
Add: Cash & Cash Equivalents as at beginning of the Year		4,319.84		682.96
<b>Cash &amp; Cash Equivalents as at the end of the Year (refer Note No. 16)</b>		3,795.94		4,319.84

Notes:

- The above Statement of Cash flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard-7, "Statement of Cash Flows".
- Figures in brackets represents cash outflows.
- Components of cash and cash equivalents :-

Particulars		As at March 31, 2022		As at March 31, 2022
Cash on hand		1.63		1.52
Balances with scheduled Banks				
- In Current Accounts		1,669.18		3,613.26
- In Fixed Deposits 0-3 months		2,125.13		705.06
<b>Cash &amp; Cash Equivalents</b>		3,795.94		4,319.84
Summary of Significant accounting policies and other notes to Special Purpose Consolidated Ind AS Financial Statements	1-65			

The accompanying notes form an integral part of these Special Purpose Consolidated Ind AS Financial Statements

As per our report of even date

For Khandelwal Jain & Co.  
Chartered Accountants  
Firm Registration No. 105049W

Naveen Jain  
Partner  
Membership No. 511596



For and on behalf of the Board of Directors

Anant Nahata  
Managing Director Cum CEO  
DIN:02216037

Sangeeta Karnatak  
Company Secretary  
M.No. 25216

Subhash Chander Rustgi  
Director  
DIN:06922968

Shiraz Bhanna  
Chief Financial Officer  
PAN: AEZPK3682F

Place: Gurugram  
Date: September 15, 2023



**Exicom Tele-Systems Limited**  
(CIN:U64203HP1994PLC014541)

**Notes Forming Part of the Special Purpose Consolidated Ind AS Financial Statements for the Year ended March 31, 2023**

## **1. GROUP INFORMATION**

### **1.1 Background of Holding Company**

**Exicom Tele-Systems Limited** (CIN:U64203HP1994PLC014541) '**the Company**' is a Public Limited Company domiciled and incorporated in India having its registered office at 8, Electronics Complex, Chambaghat, District: Solan, Himachal Pradesh- 173213. Established in 1994.

The Company is in the business of providing efficient and reliable Power Electronics Solution for global Telecom, IT, and other related industries and manufacturing of electric vehicle charger and lithiumion battery for E-vehicle. The Company's manufacturing facilities are located at Gurugram in Haryana and Solan in Himachal Pradesh. The research and development facilities are located at Gurugram in Haryana and Bangalore in Karnataka.

### **1.2 Background of Subsidiary Companies**

The following is the list of all subsidiary companies along with the proportion of voting power held.

<b>Name of Companies</b>	<b>Holding (%)</b>	<b>Country of incorporation and other particulars</b>
Exicom Tele-Systems (Singapore) Pte. Ltd.	100% (Subsidiary Company)	Company was incorporated in Singapore, on April 30 <sup>th</sup> , 2012
Horizon Tele-Systems Sdn Bhd (Horizon)	100% (Subsidiary Company)	Company was incorporated in Malaysia, on May 25 <sup>th</sup> , 2012
Energywin Technologies Private Limited	100% (Subsidiary Company)	Company was incorporated in Bangalore, India on May 20 <sup>th</sup> , 2011 and acquired by the holding Company w.e.f. May 21 <sup>st</sup> , 2014.
Horizon Power Solutions DMCC*	100% (Subsidiary Company)	Company was incorporated in Dubai, on May 19 <sup>th</sup> , 2022

\* The Company was incorporated as wholly own subsidiary in May 2022 but the subscription amount has not been transferred till date as the bank account has not been opened in Dubai. Further, there are no operations in the Company during FY 2022-23 and no financial statements were prepared for that year. Hence, the same has not been consolidated.

## **2. RECENT PRONOUNCEMENTS**

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. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:-



## **2.1 Ind AS 1 - Presentation of Financial Statements**

The amendments replace 'significant accounting policies' by 'material accounting policy information' in the notes to the financial statements. Consequently, along with Balance Sheet, Statement of Profit and Loss, Statement of Change in Equity, Statement of Cash Flows, etc.; companies will now be required to include notes comprising material accounting policy information and other explanatory information, as part of the financial statements. The main objective of this change is to –

- identify and disclose all accounting policies that provide material information to primary users of financial statements and
- identify immaterial accounting policies and eliminate them from their financial statements. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

The Company does not expect this amendment to have a material impact on its financial statements.

## **2.2 Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors**

The definition of 'change in accounting estimate' has been replaced with the definition of 'accounting estimates'. Prior to this amendment, Ind AS 8 had not defined the term 'accounting estimates'. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Paragraphs 32 and 32A explicate development of accounting estimates, along with examples. The amendments will help entities to distinguish between accounting policies and accounting estimates. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact on its financial statements.

## **2.3 Ind AS 12 - Income Taxes**

These amendments clarify that in cases of transactions where equal amounts of assets and liabilities are recognised on initial recognition, the initial recognition exemption does not apply. A company must, therefore, recognise deferred tax asset and deferred tax liability in all such cases. Thus, if a company has not yet recognised deferred tax asset and deferred tax liability on right-of-use assets, lease liabilities, decommissioning or restoration liabilities, or has recognised deferred tax asset or deferred tax liability on net basis, that company shall have to recognise deferred tax assets and deferred tax liabilities on gross basis based on the carrying amounts existing at the beginning of 1 April 2022. The Company is evaluating the impact, if any, on its financial statements.



#### **2.4 Amendments to Ind AS 107 – Financial Instruments: Disclosures and Ind AS 34 – Interim Financial Reporting:**

These amendments are consequent to the amendments in Ind AS 1 related to change from 'significant accounting policies' to 'material accounting policy information'. The Company does not expect this amendment to have any significant impact on its financial statements.

The Company has not early adopted any amendments that have been notified but are not yet effective.

2.5 One of the subsidiary Company has not adopted the following standards and interpretation applicable to the Company that have been issued but not yet effective:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
FRS 117 Insurance Contracts	1 January 2023
Amendments to FRS 117	1 January 2023
Amendments to FRS 1: Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 116: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the other standards and interpretation above will have no material impact on the financial statements in the period of initial application.

### **3. BASIS OF PREPARATION OF SPECIAL PURPOSE CONSOLIDATED IND AS FINANCIAL STATEMENTS**



**Exicom Tele-Systems Limited**  
**(CIN:U64203HP1994PLC014541)**

**Notes Forming Part of the Special Purpose Consolidated Ind AS Financial Statements for the Year ended March 31, 2023**

### **3.1 Compliance with Ind AS**

These Special Purpose Consolidated Ind AS Financial Statements ('financial statements') have been prepared in accordance with the Indian Accounting Standard ('Ind AS') notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules as amended from time to time.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Group, to all the periods presented in the said Special Purpose Consolidated Ind AS Financial Statements. The preparation of the said Special Purpose Consolidated Ind AS Financial Statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Group's accounting policies. The areas where estimates are significant to the Special Purpose Consolidated Ind AS Financial Statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 44.

The Special Purpose Consolidated Ind AS Financial Statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013.

Further, for the purpose of clarity, various items are aggregated in the statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the Special Purpose Consolidated Ind AS Financial Statements, where applicable or required. All the amounts included in the Special Purpose Consolidated Ind AS Financial Statements are reported in Indian Rupees ('Rupees') and are rounded to the nearest lakhs, except per share data and unless stated otherwise.

These Special Purpose Consolidated Ind AS Financial Statements are approved for issue by the Board of Directors on September 15, 2023.

### **3.2 Historical Cost Convention**

The Special Purpose Consolidated Ind AS Financial Statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments classified as fair value for the followings:

- (a) certain financial assets and liabilities and contingent consideration that is measured at fair value;
- (b) assets held for sale measured at fair value less cost to sell;
- (c) defined benefit plans plan assets measured at fair value; and

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### **3.3 Use of estimates and judgements**



**Exicom Tele-Systems Limited**  
**(CIN:U64203HP1994PLC014541)**

**Notes Forming Part of the Special Purpose Consolidated Ind AS Financial Statements for the Year ended March 31, 2023**

The preparation of these Special Purpose Consolidated Ind AS Financial Statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Group to make estimates and judgements that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the Special Purpose Consolidated Ind AS Financial Statements and the reported amounts of income and expense for the periods presented.

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

### **3.4 Basis of Consolidation**

- A. The Special Purpose Consolidated Ind AS Financial Statements relate to Exicom Tele-Systems Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (these group entities and the Holding Company hereinafter collectively referred to as "the Group"). In the preparation of these Special Purpose Consolidated Ind AS Financial Statements, investments in Subsidiaries have been accounted for in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time

#### **i. Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group 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 the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the Special Purpose Consolidated Ind AS Financial Statements of the Holding and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Special Purpose Consolidated Ind AS Statement of Profit and Loss, Special Purpose Consolidated Ind AS Statement of Changes in Equity and Special Purpose Consolidated Ind AS Balance Sheet respectively.

#### **ii. Associates**



Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognized at cost.

### **iii. Equity method**

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognise the group share of the post-acquisition profits or losses of the investee in profit and loss, and the group share of other comprehensive income of the investee in other comprehensive income.

When the group share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Holding Company and its associates and joint ventures are eliminated to the extent of the group interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described below.

### **iv. Changes in ownership interests**

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.



If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

- B. As far as possible, the Special Purpose Consolidated Ind AS Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Holding Company's standalone financial statements. Differences in accounting policies are disclosed separately.
- C. The financial statements of the entities used for the purpose of consolidation are drawn up to reporting date as that of the Holding Company i.e. March 31, 2023.
- D. Only the notes involving items which are material has been disclosed. Materiality for this purpose is assessed in relation to the information contained in the Special Purpose Consolidated Ind AS Financial Statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a Holding having no bearing on the true and fair view of the Special Purpose Consolidated Ind AS Financial Statements need not be disclosed in the Special Purpose Consolidated Ind AS Financial Statements.
- E. Significant Accounting Policies and notes to these Special Purpose Consolidated Ind AS Financial Statements are intended to serve as a means of informative disclosure and guide to better understanding the consolidated position of the companies. Recognizing this purpose, only such policies and notes from the individual financial statements, which fairly present the needed disclosures have been disclosed. Lack of homogeneity and other similar consideration made it desirable to exclude some of them, which in the opinion of the management, could be better viewed, when referred from the individual financial statements.

### **3.5 Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:



Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

### **3.6 Current versus non-current classification**

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle
- b) Held primarily for the purpose of trading, or
- c) Expected to be realised within twelve months after the reporting period other than for (a) above, or
- d) 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:**

- a) It is expected to be settled in normal operating cycle
- b) It is held primarily for the purpose of trading
- c) It is due to be settled within twelve months after the reporting period other than for (a) above, or
- d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.



### **3.7 Fair Value Measurement**

The Group measures financial instruments, such as, derivatives 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.

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, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Group categorizes assets and liabilities measured at fair value into one of three levels as follows:

- Level 1 — Quoted (unadjusted): This hierarchy includes financial instruments measured using quoted prices.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - They are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Group's assumptions about pricing by market participants. Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

## **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these Special Purpose Consolidated Ind AS Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **4.1. Non-Current Assets Held for Sale**

Non-current assets are classified as assets-held-for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The sale is considered highly probable only when the asset is available for immediate sale in its present condition, it is unlikely that the sale will be withdrawn and sale is expected within one year from the date of the classification. Assets classified as held for sale are stated at the lower of carrying amount and fair value less costs to sell.

Assets classified as held for sale are presented separately in the balance sheet.



Loss is recognised for any initial or subsequent write -down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative loss previously recognised.

#### **4.2. Property Plant and Equipment ('PPE')**

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. PPE are stated at actual cost less accumulated depreciation and impairment loss, if any. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of tax credit, if any) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It includes professional fees and borrowing costs for qualifying assets.

Property, Plant and Equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Significant Parts of an item of PPE (including major inspections) having different useful lives & material value or other factors are accounted for as separate components. All other repairs and maintenance costs are recognized in the statement of profit and loss as incurred.

Depreciation of these PPE commences when the assets are ready for their intended use. The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively. Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Depreciation is provided pro-rata to the period of use on the straight line method based on the estimated useful life of the assets. The residual values are not more than 5% of the original cost of the assets. The useful life of property, plant and equipment are as follows: -

<b>Asset Class</b>	<b>Useful Life</b>
Building - Improvement on lease	Over the lease term
Building - Factory on lease	30 Years
Lease hold Land	Over the remaining lease term
Computer – servers	6 Years
Computer – others	3-5 Years
Furniture & Fixtures	5-10 Years
Mould & Dies	15 Years
Electric Installation	10 Years
Renovation	5 Years
Equipment - R&D	5-15 Years
Plant & Equipment	5-15 Years



Office Equipment	5 Years
Vehicles	8 Years
Fixed Assets costing less than Rs 5,000	Fully depreciated when they are ready for use.

**Note:**

- a. Depreciation on the amount capitalized on up-gradation of the existing assets is provided over the balance life of the original asset.
- b. An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

#### **4.3. Intangible Assets**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

##### **Recognition of intangible assets**

###### **a. Computer software**

Purchase of computer software used for the purpose of operations is capitalized. However, any expenses on software support, maintenance, upgrade etc. payable periodically is charged to the Statement of Profit & Loss.

###### **b. Revenue expenditure of specialized R&D Division**

Research and development expenditure on new products:

- (i) Expenditure on research is expensed under respective heads of account in the period in which it is incurred.
- (ii) Development expenditure on new products is capitalised as intangible asset, if all of the following can be demonstrated:
  - the technical feasibility of completing the intangible asset so that it will be available for use or sale;
  - the Group has intention to complete the intangible asset and use or sell it;
  - the Group has ability to use or sell the intangible asset;



- the manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the Group has ability to reliably measure the expenditure attributable to the intangible asset during its development.

Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use.

It is amortized over the period of expected future benefit. Amortization expense is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually

**Amortisation periods and methods:** Intangible assets are amortised on straight line basis over a period ranging between 2-5 years which equates its economic useful life. Goodwill on consolidation is amortised on a straight line basis over the ten years.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is different from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

#### ➤ **De-recognition of intangible assets**

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

#### **c. Intangible assets under development**

All costs incurred in development, are initially capitalized as Intangible assets under development - till the time these are either transferred to Intangible Assets on completion or expensed as Software Development cost (including allocated depreciation) as and when determined of no further use.

#### **4.4. 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. The financial instruments are recognised in the balance



sheet when the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial instruments at initial recognition.

## **Financial Assets**

### ***Initial recognition and measurement***

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in following categories based on business model of the entity:

- Debt instruments at amortized cost.
- Debt instruments at fair value through other comprehensive income (FVTOCI).
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

### **Debt instruments at amortized cost**

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) 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 amortized cost using the effective interest rate (EIR) method.

### **Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).



**Exicom Tele-Systems Limited**  
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**Notes Forming Part of the Special Purpose Consolidated Ind AS Financial Statements for the Year ended March 31, 2023**

However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### **Debt instrument at FVTPL**

Any debt instrument, that does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### **Equity investments (Other than investment in subsidiary)**

All other equity investments are measured at fair value. For Equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. This amount is not recycled from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in Statement of Profit and Loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### **Investments in Mutual Funds**

Investments in mutual funds are measured at fair value through profit or loss (FVTPL)

#### **Cash and cash equivalents**

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities



of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

### **De-recognition**

A financial asset is de-recognized only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### ***Impairment of financial assets***

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix considers historical credit loss experience and is adjusted for forward looking information. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L).

### **Financial liabilities**

Financial liabilities and equity instruments issued by the group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

### ***Initial recognition and measurement***

Financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss.

### ***Subsequent measurement***



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Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

#### **Trade and Other Payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **Loans and Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

#### **Financial Guarantee Contracts**

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### **4.5. 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 asset's 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 group 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. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. Impairment



losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

#### **4.6. Inventories**

a) Basis of valuation:

1. Inventories including work-in-progress, other than scrap materials are valued at lower of cost and net realizable value after providing cost of Obsolescence, if any. The cost is determined using weighted average cost method (except in Singapore subsidiary where FIFO basis is followed).
2. Inventory of scrap materials have been valued at net realizable value.

b) Method of valuation:

1. Cost of raw materials comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
2. Cost of finished goods and work-in-progress includes direct fixed and variable production overheads and indirect taxes as applicable. Fixed production overheads are allocated on the basis of normal capacity of production facilities.
3. Cost of traded goods comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.
4. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### **4.7. Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalized as part of cost of such asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **4.8. Investments**



The Group records the investments in subsidiaries, associates and joint ventures at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

When the Group issues financial guarantees on behalf of subsidiaries, initially it measures the financial guarantees at their fair values and subsequently measures at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

The Group records the initial fair value of financial guarantee as deemed investment with a corresponding liability recorded as deferred revenue. Such deemed investment is added to the carrying amount of investment in subsidiaries. Deferred revenue is recognized in the Statement of Profit and Loss over the remaining period of financial guarantee issued.

The Group reviews its carrying value of investments carried at cost (net of impairment, if any) annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for in the statement of profit and loss.

#### **4.9. Foreign Currency Transactions**

The functional currency of the holding company is Indian Rupees which represents the currency of the economic environment in which it operates.

Transactions in currencies other than the Holding Company's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. Monetary items denominated in foreign currency at the year end and not covered under forward exchange contracts are translated at the functional currency spot rate of exchange at the reporting date.

Any income or expense on account of exchange difference between the date of transaction and on settlement or on translation is recognized in the profit and loss account as income or expense.

For the purposes of presenting these Special Purpose Consolidated Ind AS Financial Statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation difference on such assets and liabilities carried at fair value are reported as part of fair value gain or loss.

In case of forward exchange contracts, the premium or discount arising at the inception of such contracts is amortized as income or expense over the life of the contract. Further exchange difference on such contracts i.e. difference between the exchange rate at the reporting /settlement date and the exchange



rate on the date of inception of contract/the last reporting date, is recognized as income/expense for the period.

Effective April 1, 2018 the Holding Company has adopted Appendix B to Ind AS 21-Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

#### **4.10. Taxation**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statement. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The carrying amount of deferred tax assets are reviewed at the end of each reporting period and are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current



tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred Tax includes MAT tax Credit. The Holding Company recognizes tax credit in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Holding Company will pay normal income tax during the specified period, i.e. the period for which tax credit is allowed to be carried forward. The Holding Company reviews the such tax credit asset at each reporting date to assess its recoverability.

#### 4.11. Revenue Recognition

The Group recognizes revenue in accordance with Ind- AS 115. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration that the Group expects to receive in exchange for those products or services.

Revenues in excess of invoicing are classified as contract assets (which may also refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which may also refer to as unearned revenues).

The Group presents revenues net of indirect taxes in its Statement of Profit and loss.

The specific recognition criteria from various stream of revenue is described below:

- a. **Revenue from the sale of goods** is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods (i.e. when performance obligation is satisfied) at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of returns and allowances, trade discounts and volume rebates offered by the Group as part of the contract.
- b. **Revenue from Services** is recognized when respective service is rendered and accepted by the customer.
- c. **Capacity swaps**  
The exchange of network capacity is recognised at fair value unless the transaction lacks commercial substance or the fair value of neither the capacity received nor the capacity given is reliably measurable.
- d. **Interest income**  
For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR).
- e. **Rental income**



Rental income arising from operating leases or on investment properties is accounted for on a straight-line basis over the lease terms and is included in other non-operating income in the statement of profit and loss.

**f. Insurance Claims**

Insurance claims are accounted for as and when admitted by the concerned authority.

**g. Dividend Income**

Dividend income on investments is recognised when the right to receive dividend is established.

**h. Other Income**

Other Income is accounted for on accrual basis except, where the receipt of income is uncertain.

**4.12. Employee Benefits**

**Short Term Employee Benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Long-Term employee benefits**

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

**Post-employment obligations**

**i. Defined contribution plans**

Provident Fund and employees' state insurance schemes

All employees of the Indian entities 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 (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Indian entities are covered under the employees' state insurance schemes, which are also defined contribution schemes recognized and administered by the Government of India.

The Indian entities contributions to both these schemes are expensed in the Statement of Profit and Loss. The Indian entities has no further obligations under these plans beyond its monthly contributions.

**ii. Defined benefit plans**



### **Gratuity**

The Group's liabilities towards gratuity are recognized based on the present value of defined benefit obligation which is computed using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. These are accounted either as current employee cost or included in cost of assets as permitted. The Holding Company makes annual contributions to the Life Insurance Corporation of India for the Gratuity Plan in respect of employees.

### **Leave Encashment**

The Holding Company has provided for the liability at period end on account of un-availed earned leave as per the actuarial valuation as per the Projected Unit Credit Method and in case of other subsidiaries Employee entitlements to annual leave are recognised when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

### **iii. Actuarial gains and losses are recognized in OCI as and when incurred.**

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest as defined above), are recognized in other comprehensive income except those included in cost of assets as permitted in the period in which they occur and are not subsequently reclassified to profit or loss.

The retirement benefit obligation recognized in the Special Purpose Consolidated Ind AS Financial Statements represents the actual deficit or surplus in the Indian entities defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of reductions in future contributions to the plans.

### **Termination benefits**

Termination benefits are recognized as an expense in the period in which they are incurred.

## **4.13. Leases**

### **As a lessee**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- i. the contract involves the use of an identified asset
- ii. the Group has substantially all of the economic benefits from use of the asset through the period of the lease and



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iii. the Group has the right to direct the use of the asset.

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### **As a lessor**

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

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

#### **Short-term leases and leases of low-value assets**



The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### **4.14. Earning Per Share ('EPS')**

The Group presents the Basic and Diluted EPS data. Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

#### **4.15. Segment Reporting**

##### ***Identification of segments:***

Operating segments are reported in a manner consistent with the internal financial reporting provided to the Chief Operating Decision Maker (CODM) i.e. Chief Executive officer. CODM monitors the operating results of all product segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the Special Purpose Consolidated Ind AS Financial Statements. The primary reporting of the Group has been performed on the basis of business segments. The analysis of geographical segments is based on the areas in which the Group's products are sold or services are rendered.

##### ***Allocation of common costs:***

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

##### ***Unallocated items:***

The Corporate and other segment include general corporate income and expense items, which are not allocated to any business segment.

#### **4.16. Government Grant**

Government Grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. .

Government grants related to depreciable fixed assets are treated as deferred income which has been recognised in the profit and loss statement on a systematic and rational basis over the useful life of the



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asset, i.e., such grants should be allocated to income over the periods and in the proportions in which depreciation on those assets is charged.

#### **4.17. Cash & Cash Equivalents**

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

#### **4.18. Exceptional Items**

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

#### **4.19. Provision, Contingent Liabilities and Contingent Assets**

Provisions are recognized 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.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Contingent liabilities are disclosed in the Special Purpose Consolidated Ind AS Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

Contingent assets are disclosed in the Special Purpose Consolidated Ind AS Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

#### **Warranty Provisions**

Provision for warranty-related costs are recognized when the product is sold or service is provided to customer. Initial recognition is based on historical experience. The Group periodically reviews the adequacy of product warranties and adjust warranty percentage and warranty provisions for actual experience, if necessary. The timing of outflow is expected to be with in one to three years.

#### **4.20. Other Accounting Policies**

These are consistent with the generally accepted accounting principles.



## Property, Plant and equipment "PPE"- Other than R&amp;D

PPE									
Particulars	Building	Leasehold Improvements	Plant & Equipment	Electric Installation	Moulds & Dies	Computers	Office Equipment	Furniture & Fixture	Vehicles
<b>Gross Carrying Value</b>									
As at April 1, 2021	393.65	2,422.80	4,476.11	450.88	366.92	867.20	190.28	644.05	61.61
Additions	-	25.62	213.89	-	12.98	267.96	21.89	94.37	636.71
Less: Disposals / Adjustments	-	-	-	-	-	-	-	6.98	-
As at March 31, 2022	393.65	2,448.42	4,690.01	450.88	379.90	1,119.48	212.17	731.44	61.61
Additions	-	6.78	139.22	-	58.72	125.81	11.07	34.13	376.57
Less: Disposals / Adjustments	-	-	-	-	-	50.43	-	-	0.85
Less: Adjustment on account of Slump Sale	-	-	747.35	14.57	125.55	22.44	27.96	66.65	9.66
As at March 31, 2023	393.65	2,455.20	4,081.88	436.31	313.07	1,172.41	195.28	698.92	52.79
<b>Accumulated depreciation and impairment</b>									
As at April 1, 2021	319.51	908.72	1,488.77	199.25	68.94	646.20	140.50	381.86	47.93
Depreciation for the year-continuing operations	4.36	220.87	236.02	37.71	13.74	113.76	12.81	33.00	2.32
Depreciation for the year-discontinued operations	-	-	64.75	1.38	7.52	3.72	5.02	5.23	-
Less: Disposals / Adjustments	-	-	-	-	-	9.91	5.11	6.37	-
As at March 31, 2022	323.88	1,129.59	1,789.54	238.35	90.19	753.76	153.27	413.72	50.25
Depreciation for the year-continuing operations	4.36	223.59	248.74	37.65	16.34	133.04	14.62	49.43	2.22
Depreciation for the year-discontinued operations	-	-	40.35	0.81	4.69	3.76	3.08	-	-
Less: Disposals / Adjustments	-	-	-	-	-	47.17	-	3.61	-
Less: Adjustment on account of Slump Sale	-	-	228.05	4.40	23.36	9.94	16.06	20.00	9.34
As at March 31, 2023	328.24	1,353.18	1,850.58	272.41	87.86	833.45	154.86	446.76	43.13
<b>Net Carrying Value</b>									
As at April 1, 2021	74.13	1,514.08	2,987.35	251.63	297.99	221.00	49.78	262.19	13.68
As at March 31, 2022	69.77	1,318.82	2,900.47	212.53	289.71	365.71	58.94	317.72	11.35
As at March 31, 2023	65.41	1,102.02	2,231.30	163.90	225.21	338.96	40.42	252.16	9.66

## Property, Plant and equipment "PPE"- R&amp;D

Particulars	Plant & Equipment	Computers	Office Equipment	Furniture & Fixture	Vehicles	Total
<b>Gross Carrying Value</b>						
As at April 1, 2021	1,089.61	285.86	129.77	110.70	-	1,615.94
Additions	77.50	28.59	0.46	2.38	-	108.93
Less: Disposals / Adjustments	-	-	-	-	-	-
As at March 31, 2022	1,167.12	314.45	130.23	113.08	-	1,724.88
Additions	17.68	54.25	0.84	1.90	-	74.67
Less: Disposals / Adjustments	-	17.30	-	-	-	17.30
Less: Adjustment on account of Slump Sale	371.54	119.46	120.03	71.00	-	682.03
As at March 31, 2023	813.26	232.44	11.04	43.98	20.00	1,120.72
<b>Accumulated depreciation and impairment</b>						
As at April 1, 2021	303.81	192.86	57.49	29.35	-	583.51
Depreciation for the year-continuing operations	48.95	25.39	0.60	3.28	-	78.22
Depreciation for the year-discontinued operations	22.27	28.06	22.66	6.38	-	79.37
Less: Disposals / Adjustments	-	-	-	-	-	-
As at March 31, 2022	375.03	246.31	80.75	39.01	-	741.11
Depreciation for the year-continuing operations	57.74	25.37	0.62	3.30	0.66	87.69
Depreciation for the year-discontinued operations	13.71	8.19	13.30	3.92	-	39.12
Less: Disposals / Adjustments	-	16.43	-	-	-	16.43
Less: Adjustment on account of Slump Sale	80.21	98.07	84.95	23.93	-	287.16
As at March 31, 2023	366.27	165.37	9.72	22.30	0.66	564.33
<b>Net Carrying Value</b>						
As at April 1, 2021	785.80	93.00	72.28	81.35	-	1,032.43
As at March 31, 2022	792.09	68.14	49.48	74.07	-	983.77
As at March 31, 2023	446.99	67.07	1.32	21.68	19.34	556.39



## 6 Right-of-Use Assets and Lease Liabilities

The Following is carrying value of Right-of-use assets for the year ended March 31, 2023

Particulars	Leasehold Land	Building	Security Deposit	Total
<b>As at April 1, 2021</b>	<b>31.62</b>	<b>1,890.66</b>	<b>45.15</b>	<b>1,967.43</b>
<b>Additions</b>				
Lease Modification/addition during the year	-	491.36	7.93	499.29
Reclassified from Security Deposits	-	-	-	-
<b>Deletion</b>				
Lease Termination during the year	-	-	-	-
Depreciation	-	559.77	15.82	575.59
<b>As at March 31, 2022</b>	<b>31.62</b>	<b>1,822.25</b>	<b>37.26</b>	<b>1,891.13</b>
<b>Additions</b>				
Lease Modification/addition during the year	-	-	-	-
<b>Deletion</b>				
Lease Termination during the year	-	-	-	-
Depreciation	0.43	528.48	14.94	543.85
<b>As at March 31, 2023</b>	<b>31.19</b>	<b>1,293.77</b>	<b>22.32</b>	<b>1,347.28</b>

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in statement of Profit and Loss for the year ended March 31, 2023 and March 31, 2022.

The following is the break-up of current and non-current lease liabilities as at March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022
Current Lease Liabilities	350.20	488.65
Non-current Lease Liabilities	1,159.30	1,509.50
<b>Total</b>	<b>1,509.50</b>	<b>1,998.15</b>

The following is the carrying value of lease liability for the year ended March 31, 2023

Particulars	Amount
<b>As at April 1, 2021</b>	<b>2,004.64</b>
<b>Additions</b>	
Lease Modification/Addition in the Liability during the year	491.36
Finance cost accrued during the year	172.73
<b>Deletions</b>	
Lease Termination during the year	-
Lease Rent Concession	18.35
Payment of lease liabilities including interest	652.23
<b>As at March 31, 2022</b>	<b>1,998.15</b>
<b>Additions</b>	
Lease Modification/Addition in the Liability during the year	-
Finance cost accrued during the year	152.00
<b>Deletions</b>	
Lease Termination during the year	-
Lease Rent Concession	1.13
Payment of lease liabilities including interest	639.52
<b>As at March 31, 2023</b>	<b>1,509.50</b>

Note:

(a) The Group incurred ₹ 376.40 Lakhs for the year ended March 31, 2023 (March 31, 2022: ₹ 267.47 Lakhs) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹ 1015.92 Lakhs for the year ended March 31, 2023 (March 31, 2022: ₹ 919.69 Lakhs), including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities for the year ended March 31, 2023 is ₹ 152.00 Lakhs (March 31, 2022: ₹ 172.73 Lakhs).

(b) Lease contracts entered by the Group majorly pertains for buildings taken on lease to conduct its business in the ordinary course. The Group have taken land and buildings on leases for manufacturing and warehouse facilities.

(c) During the current year, the Group has received the Covid-19-related rent concessions for lessees amounting to ₹ 1.13 Lakhs (March 31, 2022: ₹ 18.35 Lakhs) and on the basis of practical expedient as per Ind AS 116 "Leases", the same is not considered to be lease modification, hence the income towards rent concession is recognised in "Other Income" in the statement of profit and loss account

(d) The weighted average incremental borrowing rate applied to lease liabilities is 9.22%

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



7 Intangible Assets - other than R&D

Particulars	Product development	Software	Trade Mark	SAP - ERP Licence	Total
<b>Gross Carrying Value</b>					
As at April 1, 2021	1,852.03	273.25	1.11	105.06	2,231.45
Additions	1,129.19	143.30	-	-	1,272.49
Less: Disposals / Adjustments	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>2,981.22</b>	<b>416.55</b>	<b>1.11</b>	<b>105.06</b>	<b>3,503.93</b>
Additions	1,354.34	68.72	-	-	1,423.06
Less: Disposals / Adjustments	-	-	-	-	-
Less: Adjustment on account of Slump Sale	960.15	29.87	-	-	990.02
<b>As at March 31, 2023</b>	<b>3,375.40</b>	<b>455.40</b>	<b>1.11</b>	<b>105.06</b>	<b>3,936.97</b>
<b>Accumulated depreciation and impairment</b>					
As at April 1, 2021	1,840.61	123.08	0.33	83.63	2,047.65
Amortisation for the year-continuing operations	123.30	43.22	0.11	8.25	174.89
Amortisation for the year-discontinued operations	73.69	4.16	-	-	77.85
Less: Disposals / Adjustments	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>2,037.60</b>	<b>170.47</b>	<b>0.44</b>	<b>91.89</b>	<b>2,300.40</b>
Amortisation for the year-continuing operations	172.45	68.37	0.11	7.15	248.08
Amortisation for the year-discontinued operations	70.17	3.50	-	-	73.67
Less: Disposals / Adjustments	-	-	-	-	-
Less: Adjustment on account of Slump Sale	143.86	7.99	-	-	151.84
<b>As at March 31, 2023</b>	<b>2,136.36</b>	<b>234.36</b>	<b>0.55</b>	<b>99.04</b>	<b>2,470.31</b>
<b>Net Carrying Value</b>					
As at April 1, 2021	11.42	150.16	0.79	21.42	183.79
As at March 31, 2022	943.61	246.08	0.67	13.17	1,203.53
<b>As at March 31, 2023</b>	<b>1,239.04</b>	<b>221.04</b>	<b>0.56</b>	<b>6.02</b>	<b>1,466.66</b>

Intangible Assets - R&D

Particulars	Software	Technical Know-how	Total
<b>Gross Carrying Value</b>			
As at April 1, 2021	582.85	500.00	1,082.85
Additions	90.29	40.00	130.29
Less: Disposals / Adjustments	-	-	-
<b>As at March 31, 2022</b>	<b>673.15</b>	<b>540.00</b>	<b>1,213.15</b>
Additions	11.06	-	11.06
Less: Disposals / Adjustments	-	-	-
Less: Adjustment on account of Slump Sale	226.43	540.00	766.43
<b>As at March 31, 2023</b>	<b>457.78</b>	<b>-</b>	<b>457.78</b>
<b>Accumulated depreciation and impairment</b>			
As at April 1, 2021	379.93	252.38	632.32
Amortisation for the year-continuing operations	15.51	-	15.51
Amortisation for the year-discontinued operations	45.11	107.34	152.45
Less: Disposals / Adjustments	-	-	-
<b>As at March 31, 2022</b>	<b>440.55</b>	<b>359.73</b>	<b>800.27</b>
Amortisation for the year-continuing operations	29.00	-	29.00
Amortisation for the year-discontinued operations	26.55	63.32	89.87
Less: Disposals / Adjustments	-	-	-
Less: Adjustment on account of Slump Sale	128.59	423.05	551.64
<b>As at March 31, 2023</b>	<b>367.51</b>	<b>-</b>	<b>367.51</b>
<b>Net Carrying Value</b>			
As at April 1, 2021	202.92	247.62	450.54
As at March 31, 2022	232.60	180.27	412.88
<b>As at March 31, 2023</b>	<b>90.27</b>	<b>-</b>	<b>90.27</b>

Goodwill on consolidation

Particulars	As at March 31, 2023	As at March 31, 2022
Goodwill generated on consolidation	24.66	32.89
<b>Movement in goodwill</b>		
Balance at the beginning of the year	32.89	41.11
Amortisation of Goodwill	8.23	8.22
<b>Balance at the end of the year</b>	<b>24.66</b>	<b>32.89</b>



8 Intangible Assets under Development

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	1,752.68	1,900.20
Additions	708.94	981.67
Less: Transfer to Intangible Assets	970.00	1,129.19
Less: Transfer to Assets held for sale (refer note no. 21)	694.51	-
Less: Adjustment on account of Slump Sale	264.54	-
Less: Disposals / Adjustments	76.50	-
Closing Balance	456.07	1,752.68

As at March 31, 2023

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	450.40	5.67	-	-	456.07
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress	981.67	-	-	76.50	1,058.17
Projects temporarily suspended	-	-	-	694.51	694.51

As at March 31, 2023

Particulars	to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress					
Project 1	150.31	-	-	-	150.31
Project 2	260.18	-	-	-	260.18
Project 3	45.58	-	-	-	45.58
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

Particulars	to be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Project in progress					
Project 1	251.39	-	-	-	251.39
Project 2	501.85	-	-	-	501.85
Project 3	280.68	-	-	-	280.68
Project 4	5.67	-	-	-	5.67
Project 5	6.00	-	-	-	6.00
Project 6	12.58	-	-	-	12.58
Projects temporarily suspended	694.51	-	-	-	694.51

Significant estimate: Useful life of intangible assets under development

As per Ind AS 38-Intangible Assets, Development costs are capitalised as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably. The Holding Company has inhouse research and development unit for development of the new products. The research and development units are duly approved and registered with DSIR (Department of Scientific and Industrial Research). During the financial year 2022-23 the Holding Company has spent Total ₹ 1932.14 Lakhs (PY ₹ 1922.32 Lakhs) on research and development of product out of this total expenditure the Holding Company has spent ₹ 1062.57 Lakhs (PY ₹ 957.42 Lakhs) on the eligible development expenses on projects which can demonstrate that these project will generate future economic benefits in the future and cost can be measured reliably. So the eligible amount has been capitalised under Intangible assets under development and the balance amount of ₹ 869.57 Lakhs (Continuing operations Rs. 497.39 Lakhs, Discontinued operations Rs. 372.18 Lakhs) {P.Y. ₹ 964.90 Lakhs (Continuing operations Rs. 442.12 Lakhs, Discontinued operations Rs. 522.78)} is charged to profit and loss account as revenue expenditure. The useful life of the developed product is estimated to be 5 years from the date of completion of the project.



9 Non-Current Financial Assets - Investments

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Investments</b>		
Investments in Equity shares		
<b>Quoted</b>		
(i) Quadrant Televentures Limited	10.00	6.28
(ii) Clean Motion AB	59.05	59.05
<b>Unquoted</b>		
Storage Power Solutions Inc. Canada	13.16	13.16
Vaibhav Credit & Portfolio Private Limited	20.00	20.00
Less: Impairment in value of investments	(7.60)	(20.00)
<b>Other Investments</b>		
Endowment fund policy (PNB Metlife)	29.99	14.40
<b>Total</b>	<b>124.60</b>	<b>92.89</b>

Non-Current Financial Assets - Investments

Particulars	Face Value per share	As at March 31, 2023		As at March 31, 2022	
		No. of Shares	Amount	No. of Shares	Amount
<b>Financial assets measured at FVTPL</b>					
(a) Investment in equity instruments					
Quoted Equity Shares					
(i) Quadrant Televentures Limited	1	9,52,381	10.00	9,52,381	6.28
Unquoted Equity Shares					
(i) Vaibhav Credit & Portfolio Private Limited	10	10,000	12.40	10,000	-
<b>Total Investment FVTPL</b>			<b>22.40</b>		<b>6.28</b>

Particulars	Face Value per share	As at March 31, 2023		As at March 31, 2022	
		No. of Shares	Amount	No. of Shares	Amount
<b>Financial assets measured at FVTOCI</b>					
(a) Investment in equity instruments					
Quoted Equity Shares					
(i) Clean Motion AB		5,23,000	59.05	5,23,000	59.05
<b>Unquoted</b>					
(i) Storage Power Solutions Inc. Canada	Rs. 3.90 (USD 0.059)	3,37,500	13.16	3,37,500	13.16
<b>Total Investment FVTOCI</b>			<b>72.21</b>		<b>72.21</b>

Note:

Aggregate amount of quoted investment	69.05		65.33
Aggregate amount of unquoted investment	55.55		27.56
Aggregate market value of quoted investment	69.05		65.33
Aggregate amount of impairment in value of investments	7.60		23.24



10 Non-Current - Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Trade Receivables - Billed</b>		
Trade Receivables considered good - Unsecured;	889.53	1,204.17
	<b>889.53</b>	<b>1,204.17</b>
Less : Allowance for expected credit loss	222.78	216.63
<b>Total</b>	<b>666.75</b>	<b>987.54</b>

11 Non-Current Financial Assets - Others

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed Deposits with Bank (Maturity more than 12 months)*	71.55	157.90
Unsecured, considered good;		
Security Deposits**	298.75	283.61
<b>Total</b>	<b>370.30</b>	<b>441.51</b>

\* Represents margin money against borrowings, guarantees and other commitments pledged with bank and other authorities ₹ 1457.43 Lakhs (Previous year ₹ 1379.16 Lakhs) to be read along with Note no 17

\*\* Security Deposits primarily include deposits given towards rented premises and others.

12 Deferred Tax Assets (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A. Deferred Tax Assets</b>		
Related to Brought forward losses and unabosrbed Depreciation	1,694.36	2,289.45
MAT Credit Entitlement	534.46	534.45
Others	626.99	772.35
<b>(A)</b>	<b>2,855.81</b>	<b>3,596.25</b>
<b>B. Deferred Tax Liability</b>		
Related to Depreciation on Fixed Assets and Amortisation	658.81	1,266.71
<b>(B)</b>	<b>658.81</b>	<b>1,266.71</b>
<b>Net Deferred Tax Assets / (Liability) (C) = (A)-(B)</b>	<b>2,197.00</b>	<b>2,329.54</b>

The movement in deferred tax asset / (liabilities) during the Year ended March 31, 2023

Particulars	As at March 31, 2022	Recognised in profit and Loss	Recognised in OCI	As at March 31, 2023
Provision for Gratuity	173.73	(17.05)	5.93	162.61
Provision for Leave Encashment	76.66	(7.44)	-	69.21
Lease Liability	519.52	(127.05)	-	392.47
Unabsorbed depreciation/Business Losses	2,289.45	(595.09)	-	1,694.36
Others	2.44	0.26	-	2.70
Property, plant and equipment and intangible assets (Including ROU Assets)	(1,266.71)	607.90	-	(658.81)
	<b>1,795.08</b>	<b>(138.47)</b>	<b>5.93</b>	<b>1,662.54</b>
MAT Credit Entitlement	534.46	-	-	534.46
<b>Total</b>	<b>2,329.54</b>	<b>(138.47)</b>	<b>5.93</b>	<b>2,197.00</b>

The movement in deferred tax asset / (liabilities) during the Year ended March 31, 2022

Particulars	As at March 31, 2021	Recognised in profit and Loss	Recognised in OCI	As at March 31, 2022
Provision for Gratuity	160.30	(0.68)	14.11	173.73
Provision for Leave Encashment	75.98	0.68	-	76.66
Lease Liability	521.21	(1.69)	-	519.52
Unabsorbed depreciation/Business Losses	2,250.24	39.21	-	2,289.45
Others	7.53	(5.09)	-	2.44
Property, plant and equipment and intangible assets (Including ROU Assets)	(1,075.58)	(191.13)	-	(1,266.71)
	<b>1,939.67</b>	<b>(158.70)</b>	<b>14.11</b>	<b>1,795.08</b>
MAT Credit Entitlement	937.99	(403.53)	-	534.46
<b>Total</b>	<b>2,878.16</b>	<b>(562.23)</b>	<b>14.11</b>	<b>2,329.54</b>

**13 Other Non-Current Assets**

Particulars	As at March 31, 2023	As at March 31, 2022
Capital Advances*	28.06	63.48
Advance Given for Land purchase**	1,259.20	1,197.19
Prepaid Expense	37.53	39.56
<b>Total</b>	<b>1,324.79</b>	<b>1,300.23</b>

\* During the year capital advances netted off with Impairment allowance of ₹ 0.94 Lakhs.

\*Final Allotment letter for purchase of Plot No S105, Plot No S106, Plot No S107, Plot No S108, Plot No S109, Plot No S110, Plot No S111, Plot No S112 measuring 74475.40 Sq.Mts of land situated at EHMC\_NON-SEZ\_AREA, Ranga Reddy District, has been issued in favour of the Company by Telangana State Industrial Infrastructure Corporation Limited (A Government Of Telangana Undertaking) on payment of total tentative sale consideration. The physical possession of the plot has been delivered vide agreement of sale entered on March 25, 2023.

There are no advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

**14 Inventories**

Particulars	As at March 31, 2023	As at March 31, 2022
Stores & Spare Parts	163.63	228.64
Loose Tools	1.61	1.77
Raw Materials *	8,546.56	8,747.34
Packing Materials	13.89	37.75
Work in Progress	2,988.05	4,564.56
Goods for Re-trade	36.44	22.46
Finished Goods	1,079.07	10.74
<b>Total</b>	<b>12,829.25</b>	<b>13,613.26</b>

\*Raw materials include materials in transit amounting to ₹ 172.21 Lakhs (Previous year ₹ 1089.68 Lakhs)

**15 Trade Receivables**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Trade Receivables - Billed</b>		
Trade Receivables considered good - Secured;	-	-
Trade Receivables considered good - Unsecured;	30,281.26	15,874.64
Less: Impairment allowance for expected credit loss	-	-
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit Impaired	550.26	564.27
Less: Impairment allowance for expected credit loss	(550.26)	(564.27)
	<b>30,281.26</b>	<b>15,874.64</b>
<b>Trade Receivables - Unbilled</b>	1,169.67	983.46
<b>Total</b>	<b>31,450.93</b>	<b>16,858.10</b>
<b>Break-up of security details</b>		
(i) Secured, considered good;	-	-
(ii) Unsecured, considered good;	30,281.26	15,874.64
(iii) Doubtful	550.26	564.27
	<b>30,831.52</b>	<b>16,438.91</b>
Less : Impairment allowance for trade receivables	550.26	564.27
<b>Total</b>	<b>30,281.26</b>	<b>15,874.64</b>

**15.1** The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.



15.2 The movement in allowance for expected credit loss and credit impairment is as under: -

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	564.27	416.41
Additions	371.19	219.38
Write Off (net of recovery)	162.42	71.52
Closing balance	773.04	564.27

15.3 Additional Information

Trade receivables ageing schedule as at March 31, 2023

Particular	Unbilled Receivables	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables								
(i) Considered good	1,169.67	17,587.45	7,765.90	759.99	836.91	2,751.65	1,539.87	32,411.44
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	0.80	0.80
Disputed Trade Receivables								
(i) Considered good	-	-	-	-	-	1.00	477.48	478.48
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
								32,890.72
Less : Impairment allowance for trade receivables								773.04
Less: fair valuation of Non-current Trade Receivables								-
Total								32,117.68

Trade receivables ageing schedule as at March 31, 2022

Particular	Unbilled Receivables	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables								
(i) Considered good	983.46	9,677.22	4,277.40	944.35	1,391.05	785.39	233.34	18,292.21
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	2.31	214.87	217.18
Disputed Trade Receivables								
(i) Considered good	-	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	324.84	-	324.84
(iii) Credit impaired	-	-	-	-	-	-	-	-
								18,834.23
Less : Impairment allowance for trade receivables								780.94
Less: fair valuation of Non-current Trade Receivables								207.65
Total								17,845.64

15.4 Refer note no. 49 for information about receivables from related party

15.5 No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person.

15.6 No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member except ₹ 2862.20 Lakhs (PY ₹. Nil) (refer note no.49)

15.7 Trade receivables are non-interest bearing and are generally on terms of 30-120 days.

16 Cash and Cash Equivalents ("C & CE")

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks-In current accounts	1,669.18	3,613.26
Cash on hand	1.63	1.52
Fixed Deposits		
- Maturity less than 3 months	2,125.13	705.06
Total	3,795.94	4,319.84



17 Other Bank Balances

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed Deposits (including held as margin money for credit facilities)*		
- Maturity less than 3 months	186.99	76.92
- Maturity more than 3 months and upto 12 months	1,202.90	1,145.65
<b>Total</b>	<b>1,389.89</b>	<b>1,222.57</b>

\* Represents margin money against borrowings, guarantees and other commitments pledged with bank and other authorities ₹ 1457.43 Lakhs (Previous year ₹ 1379.16 Lakhs) to be read along with Note no 11

18 Current Financial Assets - Others

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued:		
On Fixed Deposits with Banks	39.22	25.98
Security Deposits, Unsecured, considered good;	45.48	47.96
<b>Total</b>	<b>84.70</b>	<b>73.94</b>

19 Current Tax Assets (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Tax and TDS Recoverable (net of provisions)	1,016.08	436.32
<b>Total</b>	<b>1,016.08</b>	<b>436.32</b>

20 Other Current Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid Expenses	448.41	435.78
Advances to Suppliers#	1,724.08	3,288.75
Balance with Government Authorities	3,727.89	2,684.21
Others	293.51	214.26
<b>Total</b>	<b>6,193.89</b>	<b>6,623.00</b>

# During the year advances to Suppliers netted off with Impairment allowance of ₹ 56.82 Lakhs.

There are no advances to directors or other officers of the Group or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

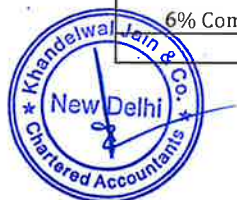
21 Assets Held for Sale

Particulars	As at March 31, 2023	As at March 31, 2022
Intangible Assets under development (Book Value)	694.51	-
Less: Impairment of Assets	-	-
<b>Total Assets Held for Sale</b>	<b>694.51</b>	<b>-</b>
Liabilities directly associated with assets classified as held for sale	-	-
<b>Net Assets Held for Sale</b>	<b>694.51</b>	<b>-</b>

During the year, one of the Subsidiary Company has decided to transfer "Intangible Assets under development" on 'as it is' and 'where it is' basis. Further, the Company entered into the agreements to transfer the same on book value after balance sheet date. Consequently, the same will be shown separately from the other assets in the Balance Sheet as "Assets Held for Sale". There is no impact on the total equity or profit as a result of this adjustment.

24 Non-Current - Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Term Loan from Banks	705.36	596.66
Vehicle Loan from Financial Institution	11.23	-
<b>Unsecured</b>		
Loan from Body Corporates#	1,120.00	960.00
6% Compulsorily Convertible Debentures	6,495.73	6,359.48
<b>Total</b>	<b>8,332.32</b>	<b>7,916.14</b>



**Note 1: Term Loans and Vehicle loans Secured by:**

a) PNB loan secured by, entire present and future current assets of the Company, Equitable Mortgage of Land & Built up 5 storied Building at Mauja Bassi Patti Kather in Industrial Area, Chambaghat Solan (HP) and further covered under Guarantee coverage from NCGTC.

b) SBI laon is secured by, Second Charge on all present, future stocks and receivables, plants & machinery of the Company on pari-passu basis. Hypothecation of Stocks & Receivables. Second Charge on five storied RCC Industrial Structure on Plot No. 1-8 situated at Khata No. 666/1455 Khasra No. 386/1 in Mauja Bassi Patti Kather in Industrial Area, Chambaghat Solan (HP)-173211.  
Second Charge on 25,66,585 nos. equity shares of Exicom Tele-systems Ltd. held by Nextwave Communications Private Limited.  
Second Charge on Lien on fixed deposit (total value ₹ 569 Lakhs under consortium) current values as on 31.03.2023 is ₹ 716.16 Lakhs.  
Further, Personal Guarantee of Mr. Anant Nahata, Mr. Mahendra Nahata and Corporate Guarantee of HFCL Limited and covered under Guarantee coverage from NCGTC.

c) IDBI loan is secured by, Second pari-passu Charge on all the present and current assets of the Company located at all its units or any other location along with other working capital lenders. Second Pari-passu charge on the entire fixed assets of the Company and immovable leasehold property (land & building) located at Plot No. 1-8, Electronics Complex Ind. Area, Chambaghat, Solan with other Working Capital lenders.

Second pari-passu Charge on 25,66,585 nos. equity shares of Exicom Tele-systems Ltd held by Nextwave Communications Private Limited with other Consortium.

Second Charge on Lien on fixed deposit (total value ₹ 569 Lakhs under consortium) current values as on 31.03.2023 is ₹ 716.16 lakh).  
Further, the facility is covered under Guarantee coverage from NCGTC.

d) Vehicle Loan are secured by way of hypothecation of respective vehicles.

# carrying interest rate of 10% per annum and principal is repayable on March 31, 2024.

**Note 2: Term Loans and Vehicle Loans - Repayment schedule and rate of interest**

Bank/FI	Punjab National Bank	State Bank of India	IDBI Bank Limited	Kotak Mahindra Prime Limited	Total
Facility Name	Working Capital Term Loan	Working Capital Term Loan	Working Capital Term Loan	Vehicle Loan	
Rate of Interest	7.25%-9.25%	9.25%	7.75%-9.25%	8.60%	
Repayment Due in F.Y.	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	
2023-24	27.50	22.08	80.00	5.67	135.25
2024-25	110.00	88.33	80.00	6.20	284.53
2025-26	110.00	88.33	80.00	5.03	283.36
2026-27	82.50	66.20	-	-	148.70
<b>Total</b>	<b>330.00</b>	<b>264.94</b>	<b>240.00</b>	<b>16.90</b>	<b>851.84</b>
Current	27.50	22.08	80.00	5.67	135.25
Non-current	302.50	242.86	160.00	11.23	716.59
<b>Total</b>	<b>330.00</b>	<b>264.94</b>	<b>240.00</b>	<b>16.90</b>	<b>851.84</b>

**Note 3: 6% Compulsorily Convertible Debentures:**

The Holding Company during the FY 2020-21 the Company has issued 6% Compulsorily convertible debentures for ₹ 7500 Lakhs (704,225 debentures having face value of ₹ 1065 each) on a private placement offer for cash to Nextwave Communication Private Limited. The CCD instrument carry the below terms and conditions.

(i) CCD Shall be Unsecured;

(ii) CCD shall have tenor of 8 Years;

(iii) CCD Shall carry fixed coupon rate of 6% per annum.

(iv) the holder shall have the right to convert all or part of the CCD held by it into equity shares at any point of time after the completion of 12 months from the date of allotment of CCD till expiry of 8 years from date of allotment at a conversion rate of 1:1 i.e. each CCD shall convert into each equity share.

As per Ind AS, Convertible Instruments into fixed number of equity shares with mandatory interest payment is classified as compound financial instrument from the issuer's perspective. Such compound financial instrument is required to be separated into two components i.e. financial liability and equity. When allocating the initial carrying amount of the compound instrument into financial liability and equity, an entity first determines the fair value of the liability component. The fair value of the financial liability is determined with reference to the fair value of a similar stand-alone debt instrument. The amount allocated to the equity component is residual amount after deducting the fair value of the financial liability component from the fair value of the entire compound instruments.



25 Non-Current Financial Liabilities - Others

Particulars	As at March 31, 2023	As at March 31, 2022
M-SIPS Grant against Fixed Assets	99.87	135.31
<b>Total</b>	<b>99.87</b>	<b>135.31</b>

\* refer note no. 56

26 Non-Current Liabilities - Provision

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits*		
Leave Encashment	247.48	274.38
Gratuity	560.87	555.59
<b>Total</b>	<b>808.35</b>	<b>829.97</b>

\* Refer note no. 45 for movement of provision towards employee benefit

27 Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured, loans repayable on demand</b>		
Working Capital Limit from banks	2,873.90	2,400.71
Current Maturities of Long-Term Debts	135.25	-
<b>Unsecured, loans repayable on demand</b>		
Loan From Director	450.00	450.00
<b>Total</b>	<b>3,459.15</b>	<b>2,850.71</b>

**Note:**

A. The working capital limit from Punjab National Bank, State Bank of India and IDBI bank Ltd are secured by way of hypothecation of first charge on pari passu basis on entire current assets of the company i.e., hypothecation of stocks of raw materials, finished goods and semi finished goods, stores and spares, book debts etc., both present and future. Further the limit are also secured by way of first charge on pari passu basis on all the movable and immovable properties, both present and future and by pledge of 2,566,585 equity shares of the company held by Nextwave Communications Private Limited and personal guarantee of Shri Anant Nahata. Further the limit from Punjab National Bank, SBI & IDBI are secured by corporate guarantee of HFCL Limited to the extent of ₹ 650 Lakhs and personal guarantee of Shri Mahendra Nahata on pari passu basis.

**Primary Security-** Pari-passu first charge of hypothecation of stock and receivables of the company with consortium members (PNB, SBI and IDBI)

**Immovable Property-**

i) First pari passu charge on immovable property situated at plot no 1-8 situated at khata no 386/1 in mauja bassi patti kather, industrial area, chambaghat, solan, himachal pradesh, 173211. (semi-urban), admeasuring total area: 1488 sq. mtr. in the name of M/s Exicom Tele-systems Limited

ii) First Pari Passu charge on Plant and Machinery of the company (excluding assets charged against term loan)

iii) Lien 1st charge over fixed deposit (total value ₹ 569 Lakhs under consortium) current values as on 31.03.2023 is ₹ 716.16 Lakhs.

iv) Pledge of 25,66,585 nos. equity shares of Exicom Tele-systems Ltd. held by Nextwave Communications Private Limited on pari passu basis.

**Third Party Guarantee-**

Personal Guarantee of Mr. Anant Nahata, Mr. Mahendra Nahata. Corporate Guarantee of HFCL Limited (Amount restricted up to ₹ 650 Lakhs as per consortium agreement.)

B) The working capital limit has been sanctioned by the banks at the interest rate; PNB @ 11.80%, IDBI @11.55%, SBI@ 11.15%.

C) Pari passu charge on Fixed/Block Assets present and future limited to ₹ 1097.59 Lakhs but not limited to Plant and Machinery together with accessories electronic spares machinery spares tools and accessories wherever situated inter alia pertaining to the guarantor i.e. Exicom Energy Services Private Limited anywhere and elsewhere, Corporate Guarantee of Fellow subsidiary Company i.e. Exicom Energy Services Private Limited aggregating to ₹ 1097.59 Lakhs

D) Unsecured Loan from Director is interest free and repayable on demand.

E) In case of One subsidiary Working Capital Loan is secured by Hypothecation of entire fixed assets, inventory and Book Debts and Personal Guarantee of Mr. Anant Nahata, Mr. Srinivasa Rao Saripali and Mr. Sameer Goel.

28 Trade Payables

Particulars	As at March 31, 2023	As at March 31, 2022
total outstanding dues of micro enterprises and small enterprises ; and*	2,565.31	3,423.30
total outstanding dues of creditors other than micro enterprises and small enterprises	25,621.52	13,119.38
<b>Total</b>	<b>28,186.83</b>	<b>16,542.68</b>

\*Refer Note no. 46



Trade Payable ageing schedule as at March 31, 2023

Particulars	Unbilled Payables	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1.80	1,442.32	1,072.84	-	7.49	40.86	2,565.31
(ii) Others	158.46	19,689.04	5,503.81	270.21	-	-	25,621.52
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Trade Payable ageing schedule as at March 31, 2022

Particulars	Unbilled Payables	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	1,881.67	1,477.28	18.52	25.05	20.78	3,423.30
(ii) Others	120.77	9,705.56	3,093.30	80.18	26.35	93.22	13,119.38
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

29 Current Financial Liabilities - Others

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due	113.82	8.78
Security Deposit- Vendors	2.50	2.75
Creditors for Capital Goods - Domestic	15.09	177.38
Creditors for Capital Goods - Foreign	0.77	-
M-SIPS Grant against Fixed Assets*	35.44	35.34
Other Payables		
- Salaries & Wages payable	407.67	432.75
- Expenses Payable	191.05	232.90
- Payable to Employees	68.07	30.44
- Interest Payable on MSMEDA Act, 2006	342.02	290.00
- Payable to Related Party (refer note no. 49)	422.25	27.61
<b>Total</b>	<b>1,598.68</b>	<b>1,237.95</b>

\* refer note no. 54

30 Current Liabilities - Others

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from Customers	2,766.06	6,076.14
Statutory Dues Payable	245.82	278.97
<b>Total</b>	<b>3,011.88</b>	<b>6,355.11</b>

31 Current Liabilities - Provision

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits*		
Gratuity	43.81	58.34
Leave Encashment	18.72	20.45
Provision for Warranty	240.02	186.02
<b>Total</b>	<b>302.55</b>	<b>264.81</b>

\* Refer note no. 45 for movement of provision towards employee benefit



**Exicom Tele-Systems Limited**

(CIN: U64203HP1994PLC014541)

**Notes to Special Purpose Consolidated Ind AS Financial Statements for the year ended March 31, 2023****(₹ in Lakhs, Except no. of Shares)****22 Equity Share Capital**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised Share Capital</b> 15,000,000 (Previous FY - 15,000,000) equity shares of ₹ 10/- each	1,500.00	1,500.00
<b>Issued, Subscribed and fully paid-up shares</b> 72,30,203 (Previous FY - 72,30,203 ) equity shares of ₹10/- each	723.02	723.02
<b>Total</b>	<b>723.02</b>	<b>723.02</b>

**a) Terms/rights attached to equity shares**

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

**b) Shareholders holding more than 5 percent of Equity Shares in the Company**

Name of Shareholder		As at March 31, 2023 No. of share held	As at March 31, 2022 No. of share held
NextWave Communications Private Limited (Formerly known as MN Enterprises Private Limited)	% of Holding	50,31,685 <b>69.59%</b>	50,31,685 <b>69.59%</b>
Vinsan Brothers Private Limited	% of Holding	10,82,692 <b>14.97%</b>	10,82,692 <b>14.97%</b>
HFCL Limited	% of Holding	6,30,223 <b>8.72%</b>	6,30,223 <b>8.72%</b>
Satellite Finance Private Limited	% of Holding	3,77,500 <b>5.22%</b>	3,77,500 <b>5.22%</b>
Others holding less than 5% shares	% of Holding	1,08,103 <b>1.50%</b>	1,08,103 <b>1.50%</b>

**c) Details of shareholding of promoters**

S. No.	Shares held by promoters at the year ended March 31, 2023			% change during the year
	Promoter's Name	No. of shares	% of total shares	
1	NextWave Communications Private Limited	50,31,685	<b>69.59</b>	-
2	Vinsan Brothers Private Limited	10,82,692	<b>14.97</b>	-
3	HFCL Limited	6,30,223	<b>8.72</b>	-
4	Satellite Finance Private Limited	3,77,500	<b>5.22</b>	-

S. No.	Shares held by promoters at the year ended March 31, 2022			% change during the year
	Promoter's Name	No. of shares	% of total shares	
1	NextWave Communications Private Limited	50,31,685	<b>69.59</b>	-
2	Vinsan Brothers Private Limited	10,82,692	<b>14.97</b>	-
3	HFCL Limited	6,30,223	<b>8.72</b>	-
4	Satellite Finance Private Limited	3,77,500	<b>5.22</b>	-

**d) Others**

The Company also has authorised capital of 15,000,000 (Previous FY - 15,000,000) Preference shares of ₹ 10/- each.



**Exicom Tele-Systems Limited**

(CIN: U64203HP1994PLC014541)

**Notes to Special Purpose Consolidated Ind AS Financial Statements for the year ended March 31, 2023****(₹ in Lakhs, Except no. of Shares)****23 Other Equity**

Particulars	As at March 31, 2023	As at March 31, 2022
Securities Premium	6,163.35	6,163.35
Equity Component of Compound Financial Instruments	1,325.80	1,325.80
Retained Earnings	13,871.97	13,083.29
Other Comprehensive Income	1,115.73	694.37
<b>Total</b>	<b>22,476.85</b>	<b>21,266.81</b>

**(i) Securities Premium**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	6,163.35	6,163.35
Increase/(Decrease) during the year	-	-
<b>Closing Balance</b>	<b>6,163.35</b>	<b>6,163.35</b>

**(ii) Equity Component of Compound Financial Instruments**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	1,325.80	1,325.80
Increase/(Decrease) during the year	-	-
<b>Closing Balance</b>	<b>1,325.80</b>	<b>1,325.80</b>

**(iii) Retained Earnings**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Opening Balance</b>	<b>13,083.29</b>	<b>12,656.05</b>
Changes in accounting policy or prior period errors	-	-
Restated balance at the beginning of the year	-	-
Net profit/(loss) for the Year	801.45	358.86
<b>Items of other comprehensive income recognised directly in retained earnings</b>		
Re-measurement gains / (losses) on defined benefit plans (net of tax)	(12.77)	68.38
<b>Closing Balance</b>	<b>13,871.97</b>	<b>13,083.29</b>



**Exicom Tele-Systems Limited**

(CIN: U64203HP1994PLC014541)

**Notes to Special Purpose Consolidated Ind AS Financial Statements for the year ended March 31, 2023**

(₹ in Lakhs, Except no. of Shares)

**(iv) Other Comprehensive Income****(a) Equity Instruments measured at Fair value through OCI**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	(537.95)	(537.95)
Change during the year	-	-
Closing Balance	(537.95)	(537.95)

**(b) Remeasurement of Defined benefit plans**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	-	-
Change during the year	-	-
Closing Balance	-	-

**(c) Exchange difference on translation of foreign operations**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	1,232.32	1,004.62
Change during the year	421.36	227.70
Closing Balance	1,653.68	1,232.32

The Description of the nature and purpose of each reserve within equity is as follows:

**a) Securities Premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013

**b) Retained Earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to dividends or other distributions paid to shareholders.

The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:

(a) actuarial gains and losses; and

(b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset).

**c) Other Comprehensive Income - Equity Instruments through OCI**

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**d) Other Comprehensive Income - Exchange difference on translation of foreign operations through OCI**

For the purpose of consolidation of subsidiaries with the financial statement of the holding company, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. Use of such different rates for translation gives rise to exchange differences which is accumulated in Foreign Currency Translation Reserve. The movement in this reserve is due to fluctuation in exchange rates of currencies during the financial year 2022-23. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the statement of profit and loss.



**32 Revenue from Operations**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Products	62,014.05	76,843.07
Sale of Services	8,779.00	7,437.47
<b>Total</b>	<b>70,793.05</b>	<b>84,280.54</b>

**33 Other Income**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest Income		
From Fixed Deposits / Margin Money with Banks	94.06	78.19
From Others	13.73	31.99
Gain on foreign currency transaction and translation (net)	-	64.33
Duty Draw Back Received	43.63	42.91
Fair valuation Gain on financial instruments at FVTPL	15.43	6.77
Export Benefit (FPS) Received	19.35	35.74
Profit on Sale of Property, Plant & Equipment	-	3.41
Subsidy from M-SIPS	35.35	35.98
Insurance Claim Received	12.14	2.21
Sundry Balance/ Excess Provision Written Back*	552.31	-
Gain on Lease Rent Waiver -Ind AS 116	1.13	18.35
Gain on fair valuation of Security Deposit-Ind AS 116	15.13	14.78
Interest on fair valutaion of Non-current Trade Receivables	73.19	-
Misc. Income	671.37	280.58
<b>Total</b>	<b>1,546.82</b>	<b>615.24</b>

\* During the year, the Holding Company has received back LD charges of Rs. 412.75 Lakhs which were earlier expensed off in the books of accounts.

**34 Cost of Material Consumed**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock	7,686.21	7,062.01
Add : Purchases During the Year	36,716.26	23,629.95
	<b>44,402.47</b>	<b>30,691.96</b>
Less : Closing Stock	8,413.50	7,686.21
<b>Total</b>	<b>35,988.97</b>	<b>23,005.75</b>

**35 Purchase of Stock-in-Trade**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of Stock-in-Trade	15,302.58	42,970.42
<b>Total</b>	<b>15,302.58</b>	<b>42,970.42</b>



**36 Changes In Inventories of Finished Goods, Work-In-Progress And Stock-In-Trade**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Stock		
Finished Goods	10.74	14.07
Goods for Re-Trade	72.15	72.95
Work in Progress	4,564.56	3,771.63
	4,647.45	3,858.65
Closing Stock		
Finished Goods	1,079.07	10.74
Goods for Re-Trade	88.73	72.15
Work in Progress	2,988.05	4,564.56
	4,155.85	4,647.45
<b>Total</b>	<b>491.60</b>	<b>(788.80)</b>

**37 Employee Benefits expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and Bonus	5,987.26	5,173.82
Contribution to Provident and Other Funds	347.49	297.41
Staff Welfare Expenses	125.15	97.00
<b>Total</b>	<b>6,459.90</b>	<b>5,568.23</b>

**38 Manufacturing Expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of Packing Materials	242.72	233.95
Consumption of Stores and Spare Parts	935.76	631.00
Power and Fuel	211.73	254.21
Repairs to Plant & Machinery	72.87	44.04
Other Repairs	25.07	18.67
<b>Total</b>	<b>1,488.15</b>	<b>1,181.87</b>

**39 Finance costs**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest to Banks	300.32	214.28
Interest to Others	524.33	346.50
Interest to Compulsorily Convertible Debentures	483.88	488.61
Interest on fair valuation of Non-current Trade Receivables	28.23	207.65
Interest on lease liabilities- Ind AS 116	152.00	172.73
Other Finance Charges	412.07	422.51
<b>Total</b>	<b>1,900.83</b>	<b>1,852.28</b>

**40 Depreciation and amortization expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Property, Plants & Equipments	817.67	752.82
Amortisation of Intangible Assets	277.08	190.40
Depreciation on ROU Assets	543.85	575.59
Amortisation of Goodwill	8.22	8.22
<b>Total</b>	<b>1,646.82</b>	<b>1,527.03</b>



**41 Other Expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rent	313.14	220.85
Rates and Taxes	103.39	35.07
Insurance Expenses	208.32	166.30
Payment to the Auditors*		
Audit Fee	43.74	39.17
Tax Audit Fees	3.30	-
Other Services	1.77	0.50
Out of Pocket Expenses	0.43	0.30
Communication expenses	100.91	81.75
IT Support Expenses	255.61	163.24
Travelling, Conveyance and Vehicle Expenses	674.15	445.12
Loss on Sale of Property, Plant and equipment	2.41	-
Loss on discard of Intangible assets under development	76.50	-
General Expenses	11.91	6.96
Office & Factory Expenses	26.57	86.76
Sundry Balance Written off (net)	-	48.16
Commission on Sales	10.36	14.86
Loss on foreign currency transaction and translation (net)	170.32	-
Recruitment Expenses	47.42	47.55
Security Expenses	75.67	80.95
Service Charges	20.11	18.82
Facility Management Expenses	93.80	86.22
Printing & Stationery	18.53	12.47
Membership and Subscription Fees	27.42	47.99
Freight Outward	805.85	815.60
Liquidated Damages	281.49	570.54
Bad Debts Written off	2.31	137.42
Impairment allowance for trade receivables considered doubtful	215.01	143.19
Impairment allowance for advance receivable	3.67	732.62
Provision for Warranty (net)	207.48	90.30
Product Testing Expenses	25.27	8.17
Business Promotion Expenses	194.14	7.14
Legal & Professional Charges	1,083.20	858.70
Directors Sitting Fees	13.35	10.08
Comprehensive Maintenance Expenses	4.63	62.73
<b>Total</b>	<b>5,122.18</b>	<b>5,039.53</b>

**\*Payment to Auditors**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Exicom Tele-Systems Limited	8.75	8.00
Energywin Technologies Private Limited	2.00	1.75
Exicom Tele-systems Singapore (Pte.) Limited	29.95	26.52
Horizon Tele Systems SDN BHD	3.04	2.90
<b>Total</b>	<b>43.74</b>	<b>39.17</b>



**42 Research & Development Expenses**

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries & Wages	137.50	255.25
Contribution to Provident & Other Funds	45.28	15.59
Staff Welfare	12.60	8.87
Other Repairs	6.27	0.83
Rent	32.07	12.71
Insurance Expenses	0.54	1.70
Communication Expenses	0.69	1.21
Travelling, Conveyance and Vehicle Expenses	34.40	15.90
General Expenses	294.12	175.69
Facility Management Expenses	21.53	19.88
Printing & Stationery	0.49	1.11
Business Promotion Expenses	1.00	0.64
Professional Charges	11.32	22.54
Cost of Materials	65.91	0.80
Electricity Charges	3.89	-
Product Testing Expenses	41.05	30.43
<b>Total</b>	<b>708.66</b>	<b>563.15</b>

Note: During the financial year 2022-23 the Holding Company has spent Total ₹ 1932.14 Lakhs (P.Y. ₹ 1922.32 Lakhs) on research and development Expenditure. Out of total R&D expenditure ₹ 1062.57 Lakhs (P.Y. ₹ 957.42 Lakhs) has been capitalized as Intangible assets under development during the year, for development of various in house projects, and the balance amount of ₹ 869.57 Lakhs (Continuing operations Rs. 497.39 Lakhs, Discontinued operations Rs. 372.18 Lakhs) {P.Y. ₹ 964.90 Lakhs (Continuing operations Rs. 442.12 Lakhs, Discontinued operations Rs. 522.78)} is charged to profit and loss account as revenue expenditure.



43 Earning per Share (EPS) - In accordance with the Indian Accounting Standard (Ind AS-33)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>(A) From Continuing operations</b>		
<b>Basic Earnings Per Share</b>		
Profit / (loss) after tax from continuing operations	3,267.35	2,884.77
Profit attributable to the equity share holders of the Company	3,267.35	2,884.77
Weighted Average Number of Ordinary Shares (used as denominator for calculating Basic EPS)	72,30,203.00	72,30,203.00
Nominal Value of Ordinary Equity Share	Rs. 10/-	Rs. 10/-
<b>Earnings Per Share - Basic (in Rs.)</b>	<b>45.19</b>	<b>39.90</b>
<b>Diluted Earnings Per Share</b>		
Profit / (loss) after tax from continuing operations	3,267.35	2,884.77
Profit attributable to the equity share holders of the Company	3,751.22	3,373.38
Potential equity shares	7,04,225.00	7,04,225.00
Weighted Average Number of Ordinary Shares (used as denominator for calculating Diluted EPS)	79,34,428.00	79,34,428.00
Nominal Value of Ordinary Equity Share	Rs. 10/-	Rs. 10/-
Earnings Per Share (Calculated)*	47.28	42.52
<b>Earnings Per Share - Diluted (in Rs.)</b>	<b>45.19</b>	<b>39.90</b>
<b>(B) From Discontinued operations</b>		
<b>Basic Earnings Per Share</b>		
Profit / (loss) after tax from discontinued operations	(2,465.90)	(2,525.91)
Profit attributable to the equity share holders of the Company	(2,465.90)	(2,525.91)
Weighted Average Number of Ordinary Shares (used as denominator for calculating Basic EPS)	72,30,203.00	72,30,203.00
Nominal Value of Ordinary Equity Share	Rs. 10/-	Rs. 10/-
<b>Earnings Per Share - Basic (in Rs.)</b>	<b>(34.11)</b>	<b>(34.94)</b>
<b>Diluted Earnings Per Share</b>		
Profit / (loss) after tax from discontinued operations	(2,465.90)	(2,525.91)
Profit attributable to the equity share holders of the Company	(2,363.53)	(2,439.69)
Potential equity shares	7,04,225.00	7,04,225.00
Weighted Average Number of Ordinary Shares (used as denominator for calculating Diluted EPS)	79,34,428.00	79,34,428.00
Nominal Value of Ordinary Equity Share	Rs. 10/-	Rs. 10/-
Earnings Per Share (Calculated)*	(29.79)	(30.75)
<b>Earnings Per Share - Diluted (in Rs.)</b>	<b>(34.11)</b>	<b>(34.94)</b>
<b>(C) From Continuing &amp; Discontinued operations</b>		
<b>Basic Earnings Per Share</b>		
Profit / (loss) after tax for the year	801.45	358.86
Profit attributable to the equity share holders of the Company	801.45	358.86
Weighted Average Number of Ordinary Shares (used as denominator for calculating Basic EPS)	72,30,203.00	72,30,203.00
Nominal Value of Ordinary Equity Share	Rs. 10/-	Rs. 10/-
<b>Earnings Per Share - Basic (in Rs.)</b>	<b>11.08</b>	<b>4.96</b>
<b>Diluted Earnings Per Share</b>		
Profit / (loss) after tax for the year	801.45	358.86
Profit attributable to the equity share holders of the Company	1,387.70	933.69
Potential equity shares	7,04,225.00	7,04,225.00
Weighted Average Number of Ordinary Shares (used as denominator for calculating Diluted EPS)	79,34,428.00	79,34,428.00
Nominal Value of Ordinary Equity Share	Rs. 10/-	Rs. 10/-
Earnings Per Share (Calculated)*	17.49	11.77
<b>Earnings Per Share - Diluted (in Rs.)</b>	<b>11.08</b>	<b>4.96</b>

\*Since potential equity shares due to conversion of 6% Compulsorily Convertible Debentures are anti-dilutive, therefore, same has been ignored.



**44 Critical accounting estimates and judgments**

The estimates and judgements used in the preparation of the said Special Purpose Consolidated Ind AS Financial Statements are continuously evaluated by the Group, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Group believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Although the Group regularly assesses these estimates, actual results could differ materially from these estimates – even if the assumptions underlying such estimates were reasonable when made, if these Special Purpose Consolidated Ind AS Financial Statements differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the Special Purpose Consolidated Ind AS Financial Statements in the period in which they become known.

The areas involving critical estimates or judgments are:

1. Estimation of useful life of tangible asset **Note No. 4.2 & 5**
2. Estimation of useful life of intangible asset **Note No. 4.3 & 7**.
3. Estimation of defined benefit obligation **Note No. 4.12 & 45**.
4. Judgement required for ascertainment of contracts in the nature of lease, lease term and fair value of lease as per Ind AS 116 **Note No. 4.13 & 6**.
5. Measurement of Fair Values and Expected Credit Loss (ECL) **Note No. 4.4 and 10 & 15**.
6. Estimation of contingent liabilities refer **Note No. 4.19 & 47**.

**45** During the year, Group has recognised the following amounts in the Special Purpose Consolidated Ind AS Financial Statements as per Ind AS - 19 "Employees Benefits"

**a) Defined Contribution Plan**

Contribution to Defined Contribution Plan, maintained under the Employees Provident Fund Scheme by the Central Government, is charged to Profit and Loss Account as under:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's Contribution to Provident Fund	200.99	187.77
Employer's Contribution to Pension Scheme	75.90	78.49

**b) Defined Benefit Plan**

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		Leave Encashment	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
Mortality rates inclusive of provision for disability	100% of IALM (2012-14) (Ultimate)	100% of IALM (2012-14) (Ultimate)	100% of IALM (2012-14) (Ultimate)	100% of IALM (2012-14) (Ultimate)	100% of IALM (2012-14) (Ultimate)	100% of IALM (2012-14) (Ultimate)
Discount rate	7.36%	7.18%	7.19%	7.36%	7.18%	7.18%
Rate of increase in compensation levels	6.00%	6.00%	5.00%	6.00%	6.00%	6.00%

**Table showing changes in present value of obligations :**

Present value of obligation as at the beginning of the year	622.85	624.95	-	294.83	292.22
Acquisition adjustment	(56.51)	-	-	(45.50)	-
Interest Cost	44.72	43.25	1.79	21.17	20.22
Current Service Cost	74.94	78.42	28.83	57.87	64.43
Benefits paid	(57.75)	(69.86)	(14.67)	(78.37)	(93.52)
Actuarial (gain)/ loss on obligations	18.92	(53.90)	(2.05)	16.20	11.47
Present value of obligation as at the end of the period*	647.18	622.85	13.90	266.20	294.83
* Unpaid liability add in closing - Rs. 56.90 Lakhs (P.Y. Rs. 22.92 Lakhs)					

**Table showing changes in the fair value of plan assets :**

Fair value of plan assets at the beginning of the year	8.92	8.42	-	Nil	Nil
Actual return on plan assets	(0.95)	0.95	-	N.A	N.A
Employer's Contributions	106.18	69.42	-	Nil	Nil
Fund management charges (FMC)	-	-	-	N.A	N.A
Benefit paid	(57.75)	(69.86)	-	Nil	Nil
Fair value of plan assets at the end of the year	56.40	8.92	-	Nil	Nil



**Other Comprehensive Income**

Net cumulative unrecognized actuarial (gain)/loss opening	Nil	Nil	Nil	Nil
Actuarial (gain) / loss for the year on PBO	18.92	(53.90)	(2.05)	Nil
Actuarial (gain) / loss recognized for the year on Assets	1.59	(0.37)	-	Nil

**Table showing actuarial (gain) / loss - plan assets :**

Expected Interest Income	0.58	0.58	Nil	Nil
Actual Income on Plan Asset	0.95	0.95	Nil	Nil
Fund management Charges	-	-	Nil	Nil
Actuarial (gain) / loss for the year on Asset	(0.37)	(0.37)	Nil	Nil

**The amounts to be recognized in Balance Sheet :**

Present value of obligation at the end of the year	647.18	622.85	13.90	266.20	294.83
Fair value of plan assets at the end of the year	56.40	8.92	-	Nil	Nil
Unfunded liability/provision in Balance Sheet	(590.78)	(613.93)	(13.90)	(266.20)	(294.83)
Unfunded liability recognised in the balance sheet	(590.78)	(613.93)		(266.20)	(294.83)

**Expenses recognised in Statement of Profit and Loss :**

Current service cost	74.94	78.42	14.17	57.87	64.43
Interest cost	44.14	42.66	1.79	21.17	20.22
Net actuarial (gain) / loss recognised in the year	Nil	Nil	Nil	16.20	11.47
Expenses recognised in the profit & loss	119.08	121.08	15.95	95.24	96.12

**Sensitivity Analysis of the defined benefit obligation**

<b>a) Impact of the change in discount rate</b>					
Present Value of Obligation at the end of the period	647.18	622.85	13.90	266.20	294.83
Impact due to increase of 0.50%	(28.04)	(30.53)	(0.42)	(15.06)	(17.69)
Impact due to decrease of 0.50%	30.32	33.11	0.45	16.46	19.39
<b>b) Impact of the change in salary increase</b>					
Present Value of Obligation at the end of the period	647.18	622.85	13.90	266.20	294.83
Impact due to increase of 0.50%	29.26	30.86	0.46	16.60	19.52
Impact due to decrease of 0.50 %	(27.39)	(28.72)	(0.44)	(15.31)	(17.96)

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.  
Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

**Maturity profile of defined benefit obligation**

0 to 1 Year	96.33	67.26	1.45	18.72	20.45
1 to 2 Year	24.60	13.42	1.19	10.53	7.21
2 to 3 Year	14.08	22.25	1.09	4.91	10.23
3 to 4 Year	38.47	12.62	1.00	12.23	5.29
4 to 5 Year	20.57	37.62	0.94	9.41	13.13
5 to 6 Year	38.38	19.09	0.84	12.18	9.90
6 Year onwards	414.75	450.59	7.40	198.22	228.62

**Investment Details**

Life Insurance Corporation of India	56.40	8.92	Nil	Nil	Nil
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**Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows :**

Particulars	As at March 31, 2023	As at March 31, 2022
Principal amount due	2,562.45	3,422.67
Interest due on above	342.02	290.00
Amount paid during the period beyond the appointed day	228.18	90.39
Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-
Amount of interest accrued and remaining unpaid at the end of the period	342.02	290.00
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to small enterprises for the purpose of disallowance as a deductible expenditure under Sec.23 of the Act	-	-

a. b. c. d. e. f.



47 Commitments and Contingencies

(a) Contingent Liabilities not provided for in respect of:

(₹ in Lakhs)		
	As at March 31, 2023	As at March 31, 2022
(i) Guarantees given by the bank on behalf of the Company		
(ii) Letter of credit given by the bank on behalf of the Company	3,771.26	3,438.47
(iii) Margin Money for LC & BGs kept by way of fixed deposits ₹ 1084.83 Lakhs ( Previous year ₹ 1016.87 Lakhs)	1,263.57	1,536.37
(iv) Additional demand of custom duty raised on the company	6.98	6.98
Amount demanded by the Sales tax authorities of various states but liability not provided for on account of appeals against the same.*	264.82	335.39

\* The Group's pending litigations comprise of claims against the Group and proceedings pending with Tax Authorities / Statutory Authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its Special Purpose Consolidated Ind AS Financial Statements. The Group does not expect the outcome of these proceedings to have a material impact on its financial position.

During the financial year 2019-20 the Holding Company has received the refund on 23.04.2019 pertaining 2011-12 (₹ 54.74 Lakhs), 2012-13 (₹ 1.27 Lakhs), 2013-14 (₹ 78.10 Lakhs) against the sales tax assessment relief granted by the Tribunal on 17.11.2018. Against this relief the Sale tax department has filed revision application to the High court and application has been dismissed on 28.03.2019. Now the Sale tax department has filed the application with the Supreme Court and which is pending at this level. Accordingly, ₹ 134.11 Lakhs is treated as Contingent liability.

During the financial year 2020-21 the Holding Company has received a demand order of ₹ 130.71 Lakhs and ₹ 6.39 Lakhs against the sales tax assessment for FY 2014-15 and FY 2015-16 respectively from the office of Deputy commissioner of Sale Tax, Patna. Accordingly, ₹ 137.10 Lakhs is treated as Contingent liability. The Company has filed application with Additional Commissioner, Appeal Patna on April 26, 2023.

The Group periodically reviews all its long term contracts to assess for any material foreseeable losses. Based on such review wherever applicable, the Group has made adequate provisions for these long term contracts in the books of account as required under any applicable law/accounting standard.

As at March 31, 2023 the Group did not have any outstanding long term derivative contracts.

(b) Capital Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	344.13	218.37

48 Segmental Reporting

The operating segments have been identified on the basis of nature of products.

i) Segment revenue includes sales and other income directly identifiable with the segment including inter-segment revenue.

ii) Expenses that are directly identifiable with the segment are considered for determining the segment result.

iii) Expenses / Incomes which are not directly allocable to the segments are included under un-allocable expenditure / incomes.

iv) Segment results include margins on inter-segment sales which are reduced in arriving at the profit before tax of the Group.

v) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liabilities

vi) Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments.

vii) Inter - Segment revenue :- Segment revenue resulting from transactions with other business segments is accounted on the basis of transfer price agreed between the segments. Such transfer prices are either determined to yield a desired margin or agreed on a negotiated basis.

viii) Geographical revenues are allocated based on the location of the customer.

(a) Primary Segment Information

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Chief Executive Officer of holding Company ( the 'Chief Operating Decision Maker' as defined in Ind AS 108 - 'Operating Segments') in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. Operating and reporting segments are primarily telecom, energy and power business. The details of operating and reporting segments are as follows:



Particulars	Business Segments				Total	
	Critical Power		EV Charger		2022-23	2021-22
	2022-23	2021-22	2022-23	2021-22		
<b>Segment Revenue</b>						
Turnover	48,877.86	77,327.42	21,915.19	6,953.11	70,793.05	84,280.54
<b>Segment Result</b>						
Segment profit	(1,807.56)	(34.01)	3,568.94	153.27	1,761.38	119.26
Unallocated expenses						
Unallocated Income						
Profit (Loss) for the year-Continuing operations					1,468.80	3,857.06
Income tax (net)					3,230.18	3,976.32
Profit after tax for the year-Continuing operations					(37.17)	1,091.55
(Loss) from discontinued operations (After Tax)					3,267.36	2,884.77
<b>Other Comprehensive Income</b>					(2,465.90)	(2,525.91)
Total Comprehensive Income for the year					408.59	296.08
Other Information					1,210.04	654.94
<b>Segment assets</b>						
Unallocated other assets	57,114.13	52,664.35	13,394.87	7,456.32	70,509.00	60,120.66
Total assets	57,114.13	52,664.35	13,394.87	7,456.32	70,509.00	60,120.66
<b>Segment Liabilities</b>						
Unallocated other liabilities	40,948.10	35,591.68	6,361.02	2,539.14	47,309.12	38,130.82
Total liabilities	40,948.10	35,591.68	6,361.02	2,539.14	47,309.12	38,130.82
Depreciation#	1,491.70	1,447.40	155.13	79.63	1,646.82	1,527.03
Capital Expenditure##	613.25	1,506.49	386.67	364.65	999.92	1,871.14
# Amortization expenses of Right of Use assets as per Ind AS 116 is not included.						
## Capital expenditure excludes the assets transfer under the Slump Sale agreement to the Exicom Energy Systems Private Limited during the FY 2022-2023.						

(b) Secondary segment information

i. Secondary segment reporting is on the basis of geographical location of the customers. The Group's revenue during the year by geographical markets are:

Particulars	₹ in Lakhs	
	2022-23	2021-22
Domestic Turnover	47,578.70	30,511.85
Export Turnover	23,214.35	53,768.69

ii. Geographical Segment wise loss and capital employed not given since the production unit and administration expenses are common.

49 As required by Ind AS - 24 "Related Party Disclosures"

a) Name and description of related parties:-

Name of Related Party	Relationship
NextWave Communications Pvt. Ltd. (formerly known as MN Enterprises Pvt.Ltd.)	Holding Company
Horizon Power Solutions DMCC (Dubai)	Subsidiary Company
Exicom Energy Systems Private Limited (EESPL)	Fellow Subsidiary Company
Exicom Power Systems Private Limited (EPSPL)	Fellow Subsidiary Company
Innovative Roof Solar Solution LLP (Innovative Roof)	Significant influence of KMP
Mr. Anant Nahata - Managing Director & CEO	Key Management Personnel (KMPs)
Mr. Sandeep Garg - Chief Financial Officer (CFO) ceased on June 15, 2021	
Mr. Shiraz Khanna - Chief Financial Officer (CFO) from August 09, 2021	
Mr. Srinivasa Rao Saripalli - Director	
Mr. Prashanth Narayana - Director	
Mr. Wan Nor Asmadi Bin Wan Mohamad - Director	
Mr. Gauravaran Navalur Chandrasekar Sailesh - Director	
Ms. Sangeeta Karnatak - Company Secretary (Secretary)	
Mr. Ilumanshu Raikid	
Mr. Brij Behari Tandon (ceased on December 17, 2022)	
Mr. Subhash Chander Rustgi	Independent Directors/Non-Executive Directors
Ms. Leena Pribhdas Gidwani w.e.f. 01.04.2020	
Exicom Tele-Systems Limited - Employees Group Gratuity Trust (Gratuity Trust)	Controlled & managed by Company
ITL Limited (ITL)	



Satellite Finance Private Limited (Satellite)	Entity under the control of KMPs & relatives of KMPs
Innovative Roof Solar Solution LLP (Innovative Roof)	
Hairdramaco India Private Limited (Hairdramaco)	
Polixel Security Systems Private Limited (Polixel)	

b) Nature of transactions: -The transactions entered into with the related parties during the year along with outstanding balances as at March 31, 2023 are as under:

Nature of Transactions	2022-23	2021-22
<b>A) TRANSACTIONS DURING THE YEAR</b>		
Purchase of goods		
EESPL	221.69	-
ITL	98.88	112.13
Polixel	-	2.47
Services received		
Innovative Roof	-	0.24
HFCL	309.76	135.39
Sitting Fees to Independent Directors		
Mr. Himanshu Baid	6.00	4.00
Mr. Subhash Chander Rustgi	5.00	5.00
Ms. Leena Pribhidas Gidwani	4.00	4.00
Sale of Goods		
HFCL	60.19	659.00
EESPL	2,295.28	-
ITL	18.55	39.17
Services rendered		
HFCL	91.99	750.23
Interest Expenses		
Nextwave	586.25	574.83
Satellite	9.12	-
Rent Income		
HFCL	84.00	84.00
EESPL	201.39	-
EPSPL	33.42	-
Hairdramaco	0.45	-
Rent Paid		
HFCL	45.90	45.90
Management Fees Income		
EESPL	180.00	-
Expenses paid on behalf of		
Gratuity Trust	0.10	0.20
Expenses Charged Back		
EESPL	257.64	-
Loan Received		
Whole Time Director	275.00	-
Satellite	400.00	-
Loan Repaid		
Whole Time Director	275.00	100.00
Satellite	400.00	-
<b>B) BALANCES OUTSTANDING AS AT YEAR END</b>		
ASSETS		
HFCL	-	572.95
Trade Receivable		
EESPL	215.73	-
EPSPL	36.83	-
EESPL	2,609.65	-
HFCL	108.39	-
Other Receivable		
Hairdramaco	0.18	-



LIABILITIES	
Unsecured Loan	
Whole Time Director	450.00
Trade payables	
HFCL	23.34
Innovative Roof	188.40
BESPL	0.00
HTL	-
Advance Received from customers	52.38
HFCL	
Other payables*	944.57
BESPL	410.04
	-

\*Other payables are netted off with payment received on behalf of related party and payment made on behalf of related party.

Particulars	2022-23		
	Managing Director & CEO	Director	Chief Financial Officer
Short-term employee benefits			
Performance linked incentive ("PLI")	95.61	278.85	71.95
Post-employment benefit	-	-	6.08
Share-based payment	10.08	7.59	6.44
Dividend paid	-	-	-
Commission paid	-	-	-
	105.69	286.44	78.39
	-	-	6.71

Particulars	2021-22		
	Managing Director & CEO	Director	Chief Financial Officer
Short-term employee benefits			
Performance linked incentive ("PLI")	93.01	254.57	48.37
Post-employment benefit	10.08	7.07	4.73
Share-based payment	-	-	-
Dividend paid	-	-	-
Commission paid	-	-	-
	103.09	261.64	53.10
	-	-	5.80

As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Group as a whole rather than each of the individual employees, the said liabilities pertaining specifically to KMP are not known and hence, not included in the above table.

50 The Group has carried out Impairment Test on its Assets as on 31.3.2023 and the Management is of the opinion that there is no asset for which impairment is required to be made as per Ind AS 36 - "Impairment of Assets" (Previous year ₹ Nil).

51 The Holding Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under section 92 - 92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Holding Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by such date as required under law. The management of the holding Company is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of the provision for taxation.



## 52 Financial Risk Management Objectives and Policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's senior management has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

### Management of Liquidity Risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions.

The following table shows the maturity analysis of the Group's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Particulars	Notes Nos.	Less than 12 months	1 to 5 Years	Above 5 Years	Total
<b>As at March 31, 2023</b>					
Borrowings	24,27	3,459.15	1,836.59	6,495.73	11,791.47
Trade payables	28	28,186.83	-	-	28,186.83
Lease liabilities	6	350.20	1,159.30	-	1,509.50
Other liabilities	25,29	1,598.68	99.87	-	1,698.55
<b>As at March 31, 2022</b>					
Borrowings	24,27	2,850.71	1,556.66	6,359.48	10,766.85
Trade payables	28	16,542.68	-	-	16,542.68
Lease liabilities	6	488.65	1,509.50	-	1,998.15
Other liabilities	25,29	1,237.95	135.31	-	1,373.26

### Market Risk

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
<b>1. INTEREST RATE RISK</b> Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. a) Group has fixed deposits with Banks amounting to ₹ 3586.57 Lakhs as at March 31, 2023 (₹ 2085.53 Lakhs as at March 31, 2022) Interest Income earned on fixed deposit for year ended March 31, 2023 is ₹ 94.06 Lakhs (₹ 78.19 Lakhs for the year ended March 31, 2022) b) Group has Borrowing from Banks/FI amounting to ₹ 3725.73 Lakhs as at March 31, 2023 (₹ 2997.37 Lakhs as at March 31, 2022) Interest Expenses on such borrowings for the year ended March 31, 2023 is ₹ 365.52 Lakhs (₹ 251.36 Lakhs for the year ended March 31, 2022)	In order to manage its interest rate risk the Group diversifies its portfolio in accordance with the risk management policies.	As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Group has calculated the impact of a 1% change in interest rates. a) A 1% increase in interest rates would have led to approximately an additional ₹ 35.86 Lakhs gain for year ended March 31, 2022 (₹ 20.85 Lakhs gain for year ended March 31, 2022) in Interest Income. A 1% decrease in interest rates would have led to an equal but opposite effect. b) A 1% increase in interest rates would have led to approximately an additional ₹ 37.26 Lakhs loss for year ended March 31, 2022 (₹ 29.97 Lakhs loss for year ended March 31, 2022) in Interest expense. A 1% decrease in interest rates would have led to an equal but opposite effect.

### Credit Risk

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



#### Trade Receivables

Customer credit risk is managed by each business unit subject to the Group established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At March 31, 2023, the Group had top 10 customers that owed the Group more than ₹ 26,565.53 Lakhs (March 31, 2022: ₹ 11,831.63 Lakhs) and accounted for approximately 82.71% (March 31, 2022: 68.94%) of all the receivables outstanding.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 10 & 15. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

#### Financial Instruments and Cash Deposits

Credit risk from balances with banks and financial institutions is managed by the management in accordance with the Group's policy. Counterparty credit limits are reviewed by the management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 and March 31, 2022 is the carrying amounts as illustrated in Note 9, 11, 17 and 18.

#### Capital Management

Capital includes issued equity capital and share premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximize the shareholder value.

Particulars	Note	31-Mar-23	31-Mar-22
Borrowings*		13,300.98	12,765.01
Less : Cash and Cash equivalents	6, 24 & 27	(3,795.94)	(4,319.84)
<b>Total Debt</b>	16	<b>9,505.03</b>	<b>8,445.17</b>
Equity		23,199.87	21,989.83
<b>Net Debt to Equity</b>		<b>40.97%</b>	<b>38.40%</b>

\* Includes Lease Liabilities

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022

#### Financial Instruments by category

Particulars	Level	Mar-23		Mar-22	
		FVTPL	FVTOCI	FVTPL	FVTOCI
<b>1) Financial Assets</b>					
I) Investments (Note No.9)	1	10.00	72.21	42.39	72.21
II) Trade receivables (Note No. 10 & 15)	3	-	-	32,117.68	-
III) Cash and Cash equivalents (Note No. 16)	1	-	-	3,795.94	-
IV) Other Bank balances (Note No. 11 & 17)	1	-	-	1,461.44	-
V) Other receivables (Note No. 11 & 18)	3	-	-	383.45	-
<b>Total financial assets</b>		<b>10.00</b>	<b>72.21</b>	<b>37,800.89</b>	<b>72.21</b>
<b>2) Financial Liabilities</b>					
I) Borrowings					
A) From Banks (Note No. 24 & 27)	3	-	-	3,714.51	-
B) From Others (Note No. 24 & 27)	3	-	-	8,076.96	-
II) Trade payables (Note No. 28)	3	-	-	28,186.83	-
III) Lease Liabilities (Note No. 6)	3	-	-	1,509.49	-
IV) Other liabilities (Note No. 25 & 29)	3	-	-	1,698.55	-
<b>Total Financial liabilities</b>		-	-	<b>43,186.34</b>	-
					<b>23,917.90</b>
					<b>30,680.94</b>

1. Fair Value measurement

Fair Value Hierarchy and valuation technique used to determine fair value :

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and are categorized into Level 1, Level 2 and Level 3 inputs.

#### Significant estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of the changes to these assumptions.



**Notes to Special Purpose Consolidated Ind AS Financial Statements for the year ended March 31, 2023**

**54** Modified Special Incentive Scheme (M-SIPS) has been notified on 27th July 2012, with approval of Union Budget, for providing special incentive package to offset the disability and attract investment in electronics System Design and Manufacturing Sector. There is a provision in M-SIPS for reimbursement of 25% of capex investment in Non-SEZ area.

Exicom Tele-System Limited had filed Application with Project cost of ₹ 4500 Lakhs in two phases (Phase I ₹ 3885 Lakhs and Phase II ₹ 645 Lakhs) at Industry Plot no ZA Sector -18 for manufacturing of battery controller for lithium ion batteries, Power system and SMR, application was acknowledged on 13.05.2016. Application was approved on 25.01.2018 under the project type "Expansion".

During FY 18-19, application for incentive/reimbursement for capex investment done in Phase I (Claim period 13.05.2016 to 30.06.2017) was filed on 31.07.2018 for ₹ 1825 Lakhs (out of ₹ 3885 Lakhs of the project cost for Phase I, ₹ 1905 Lakhs was eligible). On verification of the assets by the agency appointed by Ministry of Electronics & Information Technology (MEITY), capex investment amounting to ₹ 1506.71 Lakhs was considered Eligible for disbursement.

Sanction letter for disbursement of MSIPS incentive/reimbursement amounting to ₹ 376.67 Lakhs (25 % of the Eligible capex of ₹ 1506.71 Lakhs) dated 28.01.2019 was received from Ministry of Electronics & Information Technology and Incentive was received on 11.02.2019

**55 Disaggregation of Revenue**

The Group's primary business segments are telecom, energy and power. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Company is not significant.

**Reconciliation of revenue as recognised in the Statement of Profit and Loss with the contracted price**

Particulars	FY 2022-23	FY 2021-22
Revenue as per contracted price	71,586.99	85,644.47
Less:		
Trade Discount, Rebate, variable consideration etc:		40.15
Sale Return	793.94	1,323.78
Revenue as per Statement of Profit & Loss (Ind AS-115)	70,793.05	84,280.54

**Disaggregated revenue recognised in the Statement of Profit and Loss:**

Particulars	FY 2022-23	FY 2021-22
Critical Power	48,877.86	77,327.42
EV Charger	21,915.19	6,953.12
Total	70,793.05	84,280.54

**Primary Geographical Markets in respect of revenue recognised in the Statement of Profit and Loss:**

Particulars	FY 2022-23	FY 2021-22
In India	47,578.70	30,511.85
Outside India	23,214.35	53,768.69
Total	70,793.05	84,280.54

**Disaggregated revenue recognised in the Statement of Profit and Loss :**

Particulars	FY 2022-23	FY 2021-22
Related Party	2,355.46	659.00
External Customer	68,437.59	83,621.54
Total	70,793.05	84,280.54

**Contract Balances**

The following table provides information about receivables and contract liabilities from contract with customers:

Particulars	FY 2022-23	FY 2021-22
<b>Contract liabilities</b>		
Advance from Customers	2,766.06	6,076.14
<b>Receivables</b>		
Trade Receivables*	32,890.72	18,626.59
Less : Impairment allowance for trade receivables	773.04	780.94
Total	32,117.68	17,845.65

\*Includes unbilled revenue of ₹ 1,169.67 Lakhs (FY 2021-22 ₹ 983.46 Lakhs)



<b>Unbilled Revenue</b>		
Opening Balance	983.46	316.05
Less: Billed during the year	945.16	307.49
Add: Unbilled during the year	1,131.37	974.90
Closing Balance	1,169.67	983.46

Significant changes in the contract liabilities balances during the year are as follows:

Particulars	FY 2022-23	FY 2021-22
<b>Opening Balance</b>	<b>6,076.14</b>	<b>1,914.98</b>
Addition during the year	6,206.49	8,628.58
Revenue recognised during the year	7,320.21	4,495.30
Other Adjustment	2,196.36	(27.88)
Closing Balance	2,766.06	6,076.14

#### Information about major customers

More than 10% of the Revenues is from one customer aggregating to ₹ 29,100.38 Lakhs representing approximately 41.11% of the Company's revenue from operations from sale of products, for the year ended March 31, 2023.

More than 10% of the Revenues is from two customer aggregating to ₹ 61,392.10 Lakhs representing approximately 67.83% of the Company's revenue from operations from sale of products, for the year ended March 31, 2022.

#### 56 Tax Reconciliation

Particulars	31.03.2023	31.03.2022
Net Profit before tax from continuing operations (before tax)	3,230.18	3,976.32
Net Profit before tax from discontinued operations (before tax)	(2,465.90)	(2,525.91)
<b>Net Profit before Tax</b>	<b>764.28</b>	<b>1,450.41</b>
Current Tax rate	Refer Note below	Refer Note below
Current Tax	93.15	685.73
<b>Adjustment:</b>		
Provision for unascertained liabilities	44.29	68.61
Non-Deductible Expenses	8.47	120.73
Effect of Capital Allowance	(0.34)	(3.61)
Under/(Over) Provision prior Year	(175.70)	3.33
Brought Forward Business Loss	(328.80)	-
Unabsorbed Depreciation Carried Forward	8.81	-
Unabsorbed Loss utilised	8.32	(93.17)
Income not Subject to Tax	(6.08)	(2.48)
Effect of Tax Exemption and relief	-	(13.97)
Deferred Tax Assets not recognised	25.36	-
Other Adjustments	125.41	(229.96)
Ind AS Impact	21.41	(5.92)
Income from Capital Gain on Account of Slump Sale	719.74	-
Unabsorbed Depreciation Set off	(719.74)	-
Dividend Tax at special Rate	-	403.53
<b>Tax Provision as per Books</b>	<b>(175.70)</b>	<b>932.82</b>

Note:

Entities forming part of consolidation	31.03.2023	31.03.2022
Exicom Tele-Systems Limited	17.47%	17.47%
Energywin Technologies Private Limited	26.00%	26.00%
Exicom Tele-systems Singapore (Pte.) Limited	17.00%	17.00%
Horizon Tele Systems SDN BHD	24.00%	24.00%



Entities forming part of consolidation	31.03.2023	31.03.2022
Exicom Tele-Systems Limited		403.53
Energywin Technologies Private Limited	18.95	-
Exicom Tele-systems Singapore (Pte.) Limited*	(166.76)	500.91
Horizon Tele Systems SDN BHD*	(27.89)	28.38
<b>Current Tax for the Year</b>	<b>(175.70)</b>	<b>932.82</b>

\* Due to over provision of tax in prior years

## 57 Foreign Currency Exposure

a) The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations will arise.

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The use of foreign currency forward contracts is governed by the Group's strategy, which provides principles on the use of such forward contracts consistent with Group's Risk Management Policy. The Group does not use forward contracts for speculative purposes.

b) Details of outstanding hedging contracts relating to foreign LC's - Nil

## c) Foreign Currency Exposure

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	As at March 31, 2023	As at March 31, 2022
		Foreign Currency	Foreign Currency
		Equivalent ₹	Equivalent ₹
Trade Receivables	USD/₹	1,143.32	941,531.25
Advance given to Suppliers	USD/₹	1,338.26	29,39,968.23
Trade Payables	USD/₹	74,21,795.20	61,63,430.73
	EURO/₹	36,323.10	1,800.00
Advances from Customers	USD/₹	86,560.64	16,981.44
			1,521
			12.81

## Foreign currency sensitivity analysis

The following details are demonstrate the Group's sensitivity to a 5% increase and decrease in the ₹ against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans. A positive number below indicates an increase in profit or equity and vice-versa.

Impact on profit or loss for the year	As at March 31, 2023		As at March 31, 2022	
	Rupee strengthens by 5%	Rupee weakens by 5%	Rupee strengthens by 5%	Rupee weakens by 5%
USD	185.17	(185.17)	86.73	(86.73)
EURO	1.61	(1.61)	0.08	(0.08)

58 Additional information as required by paragraph 2 of the General Instructions For Preparation of Consolidated Financial Statements to Schedule III To The Companies Act, 2013

Entities	Net Assets i.e. Total Assets minus Total Liabilities as at March 31, 2023		Net Assets i.e. Total Assets minus Total Liabilities as at March 31, 2022	
	As % of consolidated Net Assets	Amounts	As % of consolidated Net Assets	Amounts
Parent				
Exicom Tele-Systems Limited	65.39%	15,171.27	65.50%	14,402.77
Subsidiaries				
Indian				
Energywin Technologies Private Limited	-2.45%	(568.08)	-2.44%	(536.22)
Foreign				
Exicom Tele-systems Singapore (Pte.) Limited	43.40%	10,068.92	42.25%	9,289.77
Horizon Tele Systems SDN BHD	-0.61%	(142.41)	-0.59%	(129.12)
Adjustment arising out of consolidation	-5.73%	(1,329.82)	-4.72%	(1,037.37)
<b>Total</b>	<b>100.00%</b>	<b>23,199.88</b>	<b>100.00%</b>	<b>21,989.83</b>



Entities	Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	As % of	Amounts	As % of consolidated	Amounts	As % of consolidated	Amounts
<b>For the year ended March 31, 2023</b>						
Parent						
Exicom Tele-Systems Limited	97.80%	783.85	-3.76%	(15.36)	63.51%	768.50
Subsidiaries						
Indian						
Energywin Technologies Private Limited	-4.30%	(34.44)	0.63%	2.59	-2.63%	(31.86)
Foreign						
Exicom Tele-systems Singapore (Pte.) Limited	-3.07%	(24.58)	0.00%	-	-2.03%	(24.58)
Horizon Tele Systems SDN BHD	4.03%	32.32	0.00%	-	2.67%	32.32
Adjustment arising out of consolidation	5.53%	44.31	103.12%	421.36	38.48%	465.66
<b>Total</b>	<b>100.00%</b>	<b>801.45</b>	<b>100.00%</b>	<b>408.59</b>	<b>100.00%</b>	<b>1,210.04</b>
<b>For the year ended March 31, 2022</b>						
Parent						
Exicom Tele-Systems Limited	112.99%	405.49	23.09%	68.38	110.91%	473.87
Subsidiaries						
Indian						
Energywin Technologies Private Limited	-90.55%	(324.94)	0.00%	-	-76.06%	(324.94)
Foreign						
Exicom Tele-systems Singapore (Pte.) Limited	538.16%	1,931.24	0.00%	-	452.02%	1,931.24
Horizon Tele Systems SDN BHD	93.82%	336.70	0.00%	-	78.81%	336.70
Adjustment arising out of consolidation	-554.43%	(1,989.61)	76.91%	227.70	-465.68%	(1,761.91)
<b>Total</b>	<b>100.00%</b>	<b>358.86</b>	<b>100.00%</b>	<b>296.08</b>	<b>100.00%</b>	<b>654.94</b>

61

During the year, the Holding Company has entered a Business Transfer Agreement ('BTA') on going concern basis dated December 16, 2022 to transferred assets and liabilities pertaining to EV Battery Business division of the Holding Company at book value on a net consideration of ₹ 1682.01 Lakhs with effect from November 1, 2022 to a fellow subsidiary i.e. Exicom Energy Systems Private Limited.

**Details of Assets and Liabilities transferred in Slump Sale: (₹ in Lakhs)**

<b>Assets</b>	
<b>Non-Current Assets</b>	
Property, Plant and Equipment	1,097.59
Intangible Assets	1,052.97
Intangible Assets under Development	264.54
<b>Current Assets</b>	<b>2,415.10</b>
Inventories	2,489.02
Trade Receivables	1,963.15
Others	604.60
<b>Total Assets (A)</b>	<b>5,056.77</b>
<b>Liabilities</b>	
<b>Non-Current Liabilities</b>	
Provisions	100.17
<b>Current Liabilities</b>	<b>100.17</b>
Trade Payables	4,216.56
Current Financial Liabilities - Others	6.04
Current Liabilities - Others	1,326.25
Provisions	140.84
<b>Total Liabilities (B)</b>	<b>5,689.69</b>
<b>Net Consideration (A-B)</b>	<b>5,789.86</b>
	<b>1,682.01</b>



59 Details of loans given, investments made and guarantee given under section 186(4) of the Companies Act, 2013

Particulars	Amount outstanding as at March 31, 2023	Amount outstanding as at March 31, 2022
Investment Made (Refer note no. 9)	124.60	92.89

60 Corporate Social Responsibility expenses

Particulars	FY 2022-23	FY 2021-22
Gross amount to be spent by Company during the year	-	-
Unspent amount of previous year	26.65	26.65
<b>Total</b>	<b>26.65</b>	<b>26.65</b>
<b>Amount spent during the year</b>		
Contribution of acquisition of assets	-	-
On other purpose	26.65	-
<b>Amount remaining unspent</b>	<b>-</b>	<b>26.65</b>

Shortfall at the end of the year	-	-
Total of previous year shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR Activities	Note 1	NA
Detail of related party transactions in relation to CSR expenditure as per Ind AS 24, Related Party	Nil	Nil

Note 1 : Nature of CSR activity includes promoting health care including preventive healthcare, setting up old age homes, day care centres and such other facilities for senior citizens, promoting education.

Details of ongoing CSR projects under Section 135(6) of the Act

Year	Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
	With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
2022-23	-	26.65	-	-	-	-	-
2021-22*	-	26.65	-	26.65	-	-	26.65

\*Amount of ₹ 26.65 Lakhs was transferred to the separate CSR account on April 30, 2021

Details of CSR expenditure under Section 135(5) of the Act in respect of unspent amount other than ongoing projects

Year	Opening Balance unspent	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance unspent
2022-23	-	-	-	-	-
2021-22	-	-	-	-	-



## 62 Discontinued Operation

In the Special Purpose Consolidated Ind AS Financial Statements, the net results of EV Business have been disclosed separately as discontinued operation as required by Ind AS 105. Consequently, the Company's Statement of Profit and Loss for the year ended March 31, 2023 presented pertains to its continuing operations only and for that purpose the Statement of Profit and Loss for the year ended March 31, 2022 has been restated accordingly.

Results of the Discontinued business (EV Battery business) for the year are presented below:

Particulars	For the year ended March 31, 2023 (upto Oct 31, 2022)	For the year ended March 31, 2022
<b>INCOME</b>		
Revenue from operations	5,048.75	6,230.47
Other Income	-	-
<b>Total Income</b>	<b>5,048.75</b>	<b>6,230.47</b>
<b>EXPENSES</b>		
Cost of Material Consumed	4,651.57	5,612.55
Employee Benefits Expenses	900.31	984.79
Manufacturing Expenses	150.07	180.44
Finance Costs	292.84	244.25
Depreciation and amortization expenses	258.96	397.30
Other Expenses*	888.71	822.50
R&D Expenses	372.20	514.55
<b>Total Expenses</b>	<b>7,514.65</b>	<b>8,756.38</b>
<b>Profit / (Loss) for the year</b>	<b>(2,465.90)</b>	<b>(2,525.91)</b>

\*Other Expenses includes Custom duty expenses including penalty. The Holding Company has imported Lithium ion cells module on concessional rate of duty @5% BCD availing the benefits of S.No. 527 Cus. Not. No. 50/2017. However, as per the Custom department the combined cell module is a battery pack and S.No. 527 Cus. Not.50/2017 is for Lithium Cells only. Therefore, the BCD rate is 10%. Hence, the Holding Company has paid the Differential Duty of 5% (₹ 277.39 Lakhs) + interest (₹ 96.48 Lakhs) + penalty to the Customs (₹ 41.61 Lakhs).

Net Cash flow attributable to Discontinued business (EV Battery business) are as follows:

Particulars	For the year ended March 31, 2023
Net cash generated from operating activities (A)	(2,517.94)
Net cash used in investing activities (B)	2,415.57
Net cash used in financing activities (C)	102.37
<b>Net (Decrease) / Increase in cash and cash equivalents (A+B+C)</b>	<b>-</b>
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	-

## 63 Materiality Uncertainty - In case of step down subsidiary Horizon Tele Systems Sdn Bhd - Malaysia

The company has prepared its financial statements by applying the going concern assumption notwithstanding that the company has shareholder's deficit of Rs. 55.37 lakhs as at 31st March 2023 (Rs. 87.69 lakhs as at 31st March 2022). The ability of the company to continue as a going concern is dependent upon the continued financial support from director. The financial statements of the company do not include any adjustments relating to the amounts and classification of assets and liabilities that might be necessary should the company be unable to continue as a going concern.

The appropriateness of preparing the financial statements of the Company as going concern basis is dependent on the continuous financial support from its Holding Company Exicom Tele-Systems (Singapore) Pte Ltd.



64 Other Statutory Information

- i) The title deeds of all the immovable properties, (other than immovable properties where the Group is the lessee and the lease agreements are duly executed in favour of the Group) disclosed in the Special Purpose Consolidated Ind AS Financial Statements included in property, plant and equipment and Right of Use Assets are held in the name of the Group as at the balance sheet date.
- ii) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- iii) There are no investment in properties.
- iv) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- v) The Group has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties; which are repayable on demand or where the agreement does not specify any terms or period of repayment.
- vi) The Group has utilised funds raised from issue of securities or borrowings from banks for the specific purposes for which they were issued/taken.
- vii) The Group has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the Group with such banks or financial institutions are in agreement with the books of account of the Group except as mentioned hereunder:

For FY 2022-23  
In Case of Holding Company

Qtr ending	Bank Name	Particulars	Amount as per Unaudited Books of Accounts	Amount as reported in the quarterly return/statement	Difference	Reason for Discrepancies
30-Jun-22	IDBI Bank/Punjab National Bank/State Bank of India	Trade Receivables	12,231.00	12,308.00	(77.00)	Due to re-classification and netting off with other balances
		Inventory	12,839.68	12,839.68	-	
30-Sep-22		Trade Receivables	12,515.28	13,505.20	(989.92)	Due to re-classification and netting off with other balances
		Inventory	12,483.70	12,482.77	0.93	Reported amount is gross of provision for inventory.
31-Dec-22		Trade Receivables	11,185.52	12,822.76	(1,637.24)	Due to re-classification and netting off with other balances
		Inventory	11,071.94	11,420.96	(349.02)	Reported amount is gross of provision for inventory.

In Case of Subsidiary Company

Qtr ending	Bank Name	Particulars	Amount as per Unaudited Books of Accounts	Amount as reported in the quarterly return/statement	Difference	Reason for Discrepancies
30-Jun-22	Bank of Baroda	Trade Receivables	46.45	47.37	(0.92)	Due to Negative Stocks Adjusted
		Inventory	100.98	100.37	0.62	Due to Invoice raised later
30-Sep-22		Trade Receivables	46.45	37.79	8.66	Due to Negative Stocks Adjusted
		Inventory	88.08	92.62	(4.55)	Due to TDS Receivable entry
31-Dec-22		Trade Receivables	39.18	38.69	0.48	Due to Negative Stocks Adjusted
		Inventory	96.27	97.82	(1.55)	Due to missing Payment entry.
31-Mar-23		Trade Receivables	14.35	35.68	(21.33)	Reported amount is gross of provision for inventory.
		Inventory	103.47	94.15	9.32	Reported amount is gross of provision for inventory.



For FY 2021-22  
In Case of Holding Company

Qtr ending	Bank Name	Particulars	Amount as per Unaudited Books of Accounts	Amount as reported in the quarterly return/statement	Difference	Reason for Discrepancies
30-Jun-21		Trade Receivables	11,894.57	11,969.21	(74.64)	Due to re-classification and netting off with other balances
		Inventory	10,743.18	11,449.97	(706.79)	Reported amount is gross of provision for inventory.
30-Sep-21	IDBI Bank/Punjab National Bank/State Bank of India	Trade Receivables	11,235.57	11,299.66	(64.09)	Due to re-classification and netting off with other balances
		Inventory	9,502.98	10,181.88	(678.90)	Reported amount is gross of provision for inventory.
31-Dec-21		Trade Receivables	11,660.85	11,440.98	219.87	Due to re-classification and netting off with other balances
		Inventory	10,905.84	11,578.89	(673.05)	Reported amount is gross of provision for inventory.
31-Mar-22		Trade Receivables	11,738.41	11,405.41	333.00	Due to re-classification and netting off with other balances
		Inventory	12,757.72	12,701.76	55.96	Reported amount is gross of provision for inventory.

viii) The Group has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when Special Purpose Consolidated Ind AS Financial Statements are approved.

ix) Struck off Companies: Details of relationship with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956:  
for FY 2022-23

Name of the Company	Nature of Transaction	Balance Outstanding as at March 31, 2023	Relationship with the Struck off Company	Balance Outstanding as at March 31, 2022	Relationship with the Struck off Company
Curtinov Services Private Limited (CIN: U74140DL2014PTC273755)	Business Promotion Expenses	-	-	-	-
PB Enterprises Private Limited (CIN: U55101MH2012PTC227880)	Freight & Cartage/ Postage Expense	0.40	-	-	-
Khosla Capital Solutions Private Limited (CIN: U74140DL2014PTC266132)	Trade Receivable (Mobility supply)	0.30	-	-	-
Seine Product Design Private Limited (CIN: U29222KA2014PTC075193)	Trade Receivable (Sale of Products)	0.09	-	0.09	-
Corrado Consultants Private Limited (CIN: U74140HR2011PTC043822)	Professional Fees	-	-	-	-
S R Telepower Services Private Limited (CIN: U93000BR2014PTC022276)	Trade Payable (ESS Services)	-	-	-	-
ASSAR Networks(OPC) Private Limited (CIN: U74999UP20160PC088329)	Advance to Supplier	-	-	-	-

for FY 2021-22

Name of the Company	Nature of Transaction	Balance Outstanding as at March 31, 2022	Relationship with the Struck off Company	Balance Outstanding as at March 31, 2021	Relationship with the Struck off Company
Corrado Consultants Private Limited (CIN: U74140HR2011PTC043822)	Professional Fees	-	-	-	-
S R Telepower Services Private Limited (CIN: U93000BR2014PTC022276)	Trade Payable (ESS Services)	-	-	-	-
ASSAR Networks(OPC) Pvt Ltd (CIN: U74999UP20160PC088329)	Advance to Supplier	-	-	-	-
Seine Product Design Private Limited (CIN: U29222KA2014PTC075193)	Trade Receivable (Sale of Products)	0.09	-	0.09	-



- x) The Group does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- xi) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- xii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- xiii) The Group does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.
- xiv) 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 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.
- xv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 65 (i) Previous year's figures have been regrouped and reclassified wherever necessary to confirm current year classification / presentation.

(ii) Figures representing 0.00 lakhs are below Rs. 500

As per our report of even date

**For Khandelwal Jain & Co.**  
**Chartered Accountants**  
**Firm Registration No. 105049W**

  
**Naveen Jain**  
**Partner**  
**Membership No. 511596**



**For and on behalf of the Board of Directors**

  
**Arant Nahata**  
**Managing Director Cum CEO**  
**DIN:02216037**

  
**Subhash Chander Rustgi**  
**Director**  
**DIN:06922968**



**Sangeeta Karnatak**  
**Company Secretary**  
**M.No. 25216**



  
**Shiraz Khanna**  
**Chief Financial Officer**  
**PAN: AEZPK3682F**

Place: Gurugram  
Date: September 15, 2023