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**Quadrant Televentures Limited**

Annual Report 2020-21

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Dinesh A. Kadam  
Suneel Babu Gollapalli (Nominee of IDBI Bank Ltd.)  
Pritesh G. Lahoti  
Anushka J. Vagal

### CHIEF FINANCIAL OFFICER

Munish Bansal

### COMPANY SECRETARY & MANAGER

Gourav Kapoor

### AUDITORS

M/s SGN & Company  
Chartered Accountants

### INTERNAL AUDITORS

M/s Ernst & Young - LLP

### Bankers

IDBI Bank Ltd  
LIC of India  
State Bank of India  
(Erstwhile State Bank of Patiala)  
Punjab National Bank  
(Erstwhile Oriental Bank of Commerce)  
Kotak Mahindra Bank  
(Erstwhile ING Vyasa Bank Ltd.)  
HDFC Bank Ltd.  
ICICI Bank Ltd

### Registered Office

Autocars Compound, Adalat Road,  
Aurangabad - 431005, Maharashtra

### Corporate Office

B-71, Industrial Area, Phase VII, Mohali - 160055  
Punjab

### REGISTRAR & SHARE TRANSFER AGENTS

Cameo Corporate Services Ltd.  
Subramanian Building No. 1  
Club House Road, Anna Salai  
Chennai - 600002

**E-mail:investor@cameoindia.com**

Tele: +91-44-28460390-394

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### GO GREEN APPEAL TO SHAREHOLDERS

Dear Shareholder, if you are still receiving the physical copy of Annual Report, we request you to share your email address, so that Annual Report and other communications may be sent electronically. E-mail address may be communicated at investor@cameoindia.com or at secretarial@infotelconnect.com.

\*\*\*SAVE TREES SAVE EARTH\*\*\*

NOTICE

NOTICE is hereby given that the Seventy Fourth (74<sup>th</sup>) Annual General Meeting of Quadrant Televentures Limited (the "Company") will be held on Wednesday, 22<sup>nd</sup> September, 2021 at 3:00 P.M. through video conference (VC) and other audio visual means (OAVM), to transact the following businesses:-

**ORDINARY BUSINESS: -**

- To receive, consider and adopt the Audited Financial Statements for the financial year ended on March 31, 2021 together with the Reports of the Directors and Auditors thereon.

**SPECIAL BUSINESS: -**

- To consider and approve the appointment & regularization of Mrs. Anushka Jayesh Vagal as Director (Non-Executive) of the Company and in this regard to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, Mrs. Anushka Jayesh Vagal (DIN - 08966439), who was appointed by the Board of Directors as an Additional Director (Non-Executive) of the Company with effect from November 20, 2020 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act 2013 ("Act") in respect of whom the Company has received a notice in writing from a Shareholder of Company under Section 160 of the Act proposing candidature of Mrs. Anushka Jayesh Vagal for the office of Director of the Company, be and is hereby appointed a Director (Non-Executive) of the Company, liable to retire by rotation."

- To appoint Mr. Gourav Kapoor as Manager of the Company in terms of the provisions of Section 2(53), Section 196 and 203 of Companies Act 2013 and in this regard to consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 2(53), Section 196 read with Section 203 of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to the approval of Central Government if required/subject to such other approval / sanctions as may be required, the approval of shareholders be and is hereby accorded for the re-appointment of Mr. Gourav Kapoor as 'Manager' of the Company for a period of Five years w.e.f. February 23, 2021 to February 22, 2026 without any payment of remuneration for his services as Manager of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, matter and things and take such steps as may be necessary, proper or expedient to give effect to this resolution."

- To consider and ratify the remuneration to be paid to M/s Sanjay Gupta and Associates, Cost Auditors of the Company and in this regard to consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being

in force), the remuneration of Rs.70,000/- (Rupees Seventy Thousands Only) plus applicable Taxes, traveling and other out of pocket expenses incurred by them in connection with the Cost audit as approved by the Board on the recommendation of the Audit Committee, to be paid to M/s. Sanjay Gupta and Associates, (Firm Registration No. 000212) Cost Auditors of the Company for the cost audit w.r.t. the FY 2021-22, be and is hereby ratified, confirmed and approved."

By Order of the Board of Directors of  
**QUADRANT TELEVENTURES LIMITED**

**Place: Mohali**  
**Dated: August 13, 2021**

**GOURAV KAPOOR**  
**COMPANY SECRETARY**

QUADRANT TELEVENTURES LIMITED  
CIN: L00000MH1946PLC197474  
REGD. OFFICE ADDRESS  
AUTOCARS COMPOUND,  
ADALAT ROAD,  
AURANGABAD - 431,005  
MAHARASHTRA

**NOTES: -**

- In view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021 and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79, dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11, dated January 15, 2021 issued by the Securities and Exchange Board of India (SEBI). The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11, dated January 15, 2021 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit

Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.connectzone.in](http://www.connectzone.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. In terms of the provisions of Section 102 of the Companies Act, 2013, the Statement setting out material facts in respect of all Special Business to be transacted at the meeting is annexed and forms part of the Notice.
8. Members of the Company had approved the appointment of M/s SGN & Company, Chartered Accountants (Firm Registration No. 134565W), as the Statutory Auditors of the Company at the Seventy Second AGM of the Company which is valid till Seventy Seventh AGM of the Company. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.
9. Copies of Notice of 74<sup>th</sup> Annual General Meeting together with Annual Report are being sent by electronic mode to all the members whose email addresses are registered with the Company/Depository Participant(s) and shares held in the electronic form, to those beneficial owners of the shares as at the close of business hours on Friday, 13<sup>th</sup> August, 2021 as per the particulars of beneficial owners furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
10. Corporate Members are encouraged to attend and vote at the AGM through VC/OAVM. Corporate members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company or upload on the VC/OAVM portal / e-voting portal.
11. Details as per the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment /re-appointment at the ensuing Annual General Meeting is appended to the Notice.
12. Members holding shares in dematerialized form are requested to notify immediately any change of address to their Depository Participants (DPs) and those who hold shares in physical form are requested to write to the Company's Registrar & Share Transfer Agents, M/s. Cameo Corporate Services Ltd., "Subramanian Building" No. 1, Club House Road, Anna Salai, Chennai - 600 002.
13. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 15<sup>th</sup> September, 2021 to Wednesday, 22<sup>nd</sup> September, 2021 (both days inclusive) for the purpose of the Meeting.
14. The remote e-voting facility shall be opened from Sunday, 19<sup>th</sup> September, 2021 at 9.00 a.m. to Tuesday, 21<sup>st</sup> September, 2021 till 5.00 p.m., both days inclusive. The remote e-voting facility shall not be allowed beyond 5.00 p.m. Tuesday, 21<sup>st</sup> September, 2021. During the period when facility for remote e-voting is provided, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/entitlement date, may opt for remote e-voting. Provided that once the vote on a resolution is casted by the member, he shall not be allowed to change it subsequently or cast the vote again. The notice of the meeting is also being placed on the website of the Company viz. [www.connectzone.in](http://www.connectzone.in) and on the website of CDSL viz. [www.cdslindia.com](http://www.cdslindia.com).
15. The Company has fixed Wednesday, 15<sup>th</sup> September, 2021, as the cutoff date/entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means. Instructions for exercising voting rights by remote e-voting are attached herewith and forms part of this Notice. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off/ entitlement date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting.
16. The facility for voting during the AGM will also be made available. Members present in the AGM through VC/OAVM and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.  
  
Mrs. Gayathri R. Girish, Practicing Company Secretary (C.P. No. 9255) has been appointed as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner. The Scrutinizer shall immediately after the conclusion of voting at the Meeting, submit her report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 3 days from the conclusion of the AGM. The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company at [www.connectzone.in](http://www.connectzone.in) and on the website of CDSL at [www.cdslindia.com](http://www.cdslindia.com), immediately after the results are declared by the Chairman.
17. Any person who becomes a member of the Company after the date of this Notice of the Meeting and holding shares as on the cut-off date i.e. Wednesday, 15<sup>th</sup> September, 2021, may obtain the User ID and Password by sending an email request to [secretarial@infotelconnect.com](mailto:secretarial@infotelconnect.com). Members may also call on +91 172 5090000 or send a request to Mr. Gourav Kapoor, Company Secretary, by writing to him at Quadrant Televentures Limited at B-71, Industrial Area, Phase VII, Mohali - 160055.
18. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of shareholders on Wednesday,

15<sup>th</sup> September, 2021, the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means or at the Meeting by Ballot.

19. Non-resident Indian Members are requested to inform M/s. Cameo Corporate Services Limited, Registrar and Share Transfer Agent of the Company, immediately whenever there is a change in their residential status on return to India for permanent settlement together with the particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with Pin code number, if not furnished earlier.
20. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN to the Company's RTA. In view of SEBI's circular dated April 20, 2018, the Company has sent the letters to the shareholders holding equity shares in physical form for updation of PAN and bank account details with the Company / RTA.
21. The relevant documents referred to in the accompanying notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 22, 2021. Members seeking to inspect such documents can send an email to [secretarial@infotelconnect.com](mailto:secretarial@infotelconnect.com)
22. Members who hold the shares in physical form under the multiple folio's, in identical names or joint accounts in the same order or names, are requested to send the share certificates to Registrar and Share Transfer Agent of the Company namely M/s. Cameo Corporate Services Ltd., "Subramanian Building", No.1, Club House Road, Anna Salai, Chennai - 600 002, for consolidation into a single folio.
23. **GREEN INITIATIVE:**  
Members who have not registered their e-mail address so far are requested to register their E-mail address for receiving all communication including Annual Report, Notices, and Circulars etc. from the Company electronically.  
Shareholders are requested to send any investor complaints at the Email ID for the Investor Grievance / Redressal division at [secretarial@infotelconnect.com](mailto:secretarial@infotelconnect.com).
24. The equity shares of the Company are tradable compulsorily in electronic form and your Company has established connectivity with both the Depositories i.e., NSDL and CDSL. Taking into consideration the enormous advantages offered by the Depository Systems, Members are requested to avail the facility of dematerialization of the Company's shares on either of the Depositories, as aforesaid.  
The Annual Report of the Company will be made available on the Company's website at [www.connectzone.in](http://www.connectzone.in) and also on the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com).
25. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip

are not attached to this Notice and the registered office of the Company shall deemed to be the location of the AGM.

26. The Register of directors and key managerial personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. September 22, 2021. Members seeking to inspect such documents can send an email to [secretarial@infotelconnect.com](mailto:secretarial@infotelconnect.com).
27. Members are requested to address all correspondence, including dividend-related matters, to RTA, M/s. Cameo Corporate Services Ltd., Unit: Quadrant Televentures Limited "Subramanian Building" No. 1, Club House Road, Anna Salai, Chennai - 600 002.
28. As per the provisions of Section 72 of the Act, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.

#### INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MODE

The process and manner for voting by electronic means and the time schedule including the time period during which the votes may be casted is as under:

- (i) The voting period begins on Sunday, 19<sup>th</sup> September, 2021 at 9.00 a.m. to Tuesday, 21<sup>st</sup> September, 2021 till 5.00 p.m., both days inclusive. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/entitlement date of Wednesday, 15<sup>th</sup> September, 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-voting process has been enabled to all the Individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. CDSL. Click on CDSL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/">https://web.cdslindia.com/myeasi/Registration/</a> Easi Registration.</li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., CDSL where the e-Voting is in progress.</li> </ol>
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile.</li> <li>On the e-Services home page, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section.</li> <li>This will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value Added Services.</li> <li>Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page.</li> <li>Click on the company name or e-Voting service provider i.e., CDSL and you will be re-directed to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> .</li> <li>Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol> <p><b>e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.</li> <li>A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e., CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility.</li> <li>Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>Click on company name or e-Voting service provider i.e. CDSL and you will be redirected to e-Voting website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. <a href="mailto:evoting@cdslindia.com">evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(iv) **Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- Click on “Shareholders”.
- Now Enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.

5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
6. If you are a first time user follow the steps given below:

For Members holding shares in Demat and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number, given in Postal Ballot Form, in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DIVIDEND BANK DETAILS OR DATE OF BIRTH	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <p>If both the details are not recorded with the depository or Company please enter member ID/folio number in the Dividend Bank details field as mentioned in instruction 3.</p>

7. After entering details appropriately, click on "SUBMIT" tab.
8. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN for the relevant Quadrant Televentures Limited on which you choose to vote. EVSN of the Company is 210816035.
11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
13. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
16. If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
17. Note for Non - Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [secretarial@infotelconnect.com](mailto:secretarial@infotelconnect.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
18. In case you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542). In case the shareholders have any grievances connected with the voting by electronic means, the Shareholders may also call on +91 172 5090000 or send a request to Mr. Gourav Kapoor, Company Secretary, by sending an email to [secretarial@infotelconnect.com](mailto:secretarial@infotelconnect.com).

(v) **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Individual demat account shareholders may access the same at <https://www.cdslindia.com> and other Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

(vi) **INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have

not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(vii) **PROCESS FOR THOSE PHYSICAL SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH RTA/COMPANY/DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS AND NOTICE AND FOR DEMAT SHAREHOLDERS FOR OBTAINING NOTICE FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlat Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

By Order of the Board of Directors of  
**QUADRANT TELEVENTURES LIMITED**

**Place: Mohali**  
**Dated: August 13, 2021**

**GOURAV KAPOOR**  
**COMPANY SECRETARY**

**A STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 2**

Pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company, the Board of Directors of the Company appointed Mrs. Anushka J. Vagal as an Additional Director (Non-Executive) with effect from November 20, 2020. In terms of the provisions of Section 161(1) of the Act, Mrs. Anushka J. Vagal would hold office up to the date of the ensuing Annual General Meeting.

In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013, it is proposed to appoint Mrs. Anushka J. Vagal as a Director (Non- Executive) in respect of whom the Company has received a notice from a Shareholder of the Company proposing candidature of Mrs. Anushka J. Vagal for the office of the Director (Non-Executive).

Brief resume of Mrs. Anushka J. Vagal, nature of her expertise in specific functional areas, names of companies in which she holds directorship and the membership/ chairmanship of Board Committees, shareholding in the company and relationship between the Directors inter-se as required under Regulation 36 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are annexed to this Notice.

The Company has received from Mrs. Anushka J. Vagal consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, intimation in Form DIR-8 in terms of Companies (Appointment & Qualifications of Directors) Rules, 2014, at the time of his appointment as Additional Director to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013.

The Board considers that her association would be of immense benefit to the Company and it is desirable to avail services of Mrs. Anushka J. Vagal as a Director.

Your Directors recommend the proposed resolution as set out at Item No. 2 of the Notice for the approval of the shareholders of the Company by way of an Ordinary Resolution.

None of the Directors except Mrs. Anushka J. Vagal and/or Key Managerial Personnel of the Company and/or their relatives is in any way, concerned or interested financially or otherwise, in this resolution.



**Item No. 3**

In compliance with the provisions of Section 203(1)(i) of the Companies Act, 2013 (Act) and the rules framed there under the Board of Directors of the Company on the recommendation of Nomination & Remuneration Committee at their meeting held on February 12, 2021 re-appointed Mr. Gourav Kapoor as the 'Manager' within the meaning of the provisions of Section 2(53) of the Act for the period of 5 (Five) years from February 23, 2021 to February 22, 2026. Mr. Gourav Kapoor shall perform his duties as Manager under supervision, directions and control of the Board of Directors of the Company. Mr. Gourav Kapoor has also been appointed as Company Secretary of the Company and he is being paid remuneration only for his services as Company secretary and no additional remuneration is proposed to be paid to him pursuant to his re-appointment as Manager under Section 2(53) of the Companies Act 2013.

Mr. Gourav Kapoor is a qualified Company Secretary from the Institute of Company Secretaries of India. He is aged about 31 years. He has more than 8 years of work experience in the field of Secretarial and Legal. He has been re-appointed as Manager for a period of 5 years w.e.f February 23, 2021 to February 22, 2026 without any payment of remuneration for his services as Manager.

Your Directors recommend the proposed resolution as set out at Item No. 3 of the Notice for the approval of the shareholders of the Company by way of Special Resolution.

Except Mr. Gourav Kapoor, none of the Directors and Key Managerial Personnel of the Company or their relatives are in any way interested or concerned in the proposed Resolution.

**Item No. 4**

The Board on the recommendation of Audit Committee has reappointed M/s Sanjay Gupta and Associates, Cost Accountants (Firm Registration No.000212), as Cost Auditors of the Company to conduct the audit of Cost Records of the Company in respect of Telecommunication Services for the financial year commencing from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022.

The Board of Directors of the Company, on the recommendation of the Audit Committee, has decided to pay a remuneration of Rs.70,000/- (Rupees Seventy Thousands Only) plus applicable Taxes and other out of pocket expenses at actual to M/s Sanjay Gupta and Associates, for the financial year commencing from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration to be paid to the Cost Auditors shall be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee and the same has to be subsequently ratified by the Shareholders of the Company at a general body meeting.

Accordingly, consent of the members is being sought by passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration as payable to the cost Auditors for the financial year commencing from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022.

Your Directors recommend the proposed resolution as set out at Item No. 4 of the Notice for the approval of the shareholders of the Company by way of Ordinary Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way, concerned or interested financially or otherwise, in this resolution.

By Order of the Board of Directors of  
**QUADRANT TELEVENTURES LIMITED**

**Place: Mohali**  
**Dated: August 13, 2021**

**GOURAV KAPOOR**  
**COMPANY SECRETARY**

QUADRANT TELEVENTURES LIMITED  
CIN: L00000MH1946PLC197474  
REGD. OFFICE ADDRESS  
AUTOCARS COMPOUND,  
ADALAT ROAD,  
AURANGABAD - 431,005  
MAHARASHTRA

**DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING**

(Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

<b>Name of Director</b>	Mrs. Anushka J. Vagal
<b>Director Identification Number (DIN)</b>	08966439
<b>Date of Birth</b>	14.01.1983
<b>Age</b>	38 Years
<b>Date of Appointment/Re-appointment</b>	20.11.2020
<b>Terms and condition of appointment/re-appointment along with details of remuneration</b>	Non-Executive Director, liable to retire by rotation and without any payment of Remuneration
<b>Educational Qualification</b>	Bachelor of Arts (Fashion Designer)
<b>Nature of Expertise in specific functional areas</b>	Experience in Banking Sector
<b>Disclosure of relationship between Directors inter-se</b>	NIL
<b>Name of Listed Companies in which holds the directorship and the membership of committees of the board</b>	NIL
<b>No. of Share held by Directors in the Company</b>	NIL
<b>Name of the Listed Companies from which the person has resigned in the past three years</b>	NIL
<b>No. of Board Meetings attended</b>	The details of number of Board meetings attended is provided in the Corporate Governance report section of the Annual Report 2020-21

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 74<sup>th</sup> (Seventy Fourth) Annual Report together with the Audited Accounts and Auditors Report for the Financial Year ended on 31<sup>st</sup> March, 2021.

### SUMMARY OF FINANCIAL RESULTS

The Company's financial results for the year ended 31<sup>st</sup> March, 2021 is summarized below: -

(Rs. In millions)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
I. Revenue from operations	4289.33	4572.80
II. Other Income	47.42	78.34
III. Total Income(I+II)	4336.75	4651.14
IV. Expenses		
Networks operation Expenditure	3182.12	3480.28
Employee Benefits Expenses	459.79	398.98
Sales & Marketing Expenditure	313.42	212.70
Finance Cost	1117.29	1093.51
Depreciation and Amortization Expenses	276.53	309.67
Other Expenses	247.36	291.21
Total Expenses	5596.51	5786.35
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)	(1259.76)	(1135.21)
VI. Exceptional Item	1701.77	(669.97)
VII. Profit/(Loss) before extraordinary items and tax (V-VI)	(2961.53)	(465.24)
VIII. Income Tax expenses	-	-
IX. Profit (Loss) for the period from continuing operations (VII-VIII)	(2961.53)	(465.24)
X. Profit/(Loss) from discontinued operations	-	-
XI. Tax Expenses of discontinued operations	-	-
XII. Profit/(Loss) From the discontinued operations (After Tax) (X-XI)	-	-
XIII. Profit / (Loss) for the period (IX+XII)	(2961.53)	(465.24)
XIV. Other Comprehensive Income		
(A) Items that will not be reclassified to Profit/(loss)	2.16	(1.30)
(B) Items that will be reclassified to profit/(loss)		
Other Comprehensive Income (After Tax)	2.16	(1.30)
XV. Total Comprehensive Income	(2959.37)	(466.54)

### FINANCIAL PERFORMANCE REVIEW/STATE OF COMPANY'S AFFAIRS

The Company's operating revenue was Rs. 4289.33 million against Rs. 4572.80 million in 2019-20 and also the Company has sustained an operating loss of Rs. 1259.76 million during the financial year 2020-21 against Rs. 1135.21 million for the financial year 2019-20.

Total expenses during 2020-21 have marginally decreased by 3.28 % to Rs. 5596.52 million against Rs. 5786.35 million in the previous year.

### BUSINESS OPERATIONS

Your Company holds Unified License (UL License) and ISP Licence Category-A (valid till 2035) for providing Telephony Services in the Punjab Telecom Service Area comprising of the State of Punjab, Union Territory of Chandigarh and Panchkula Town of Haryana.

Currently, the Portfolio of services provided by the Company includes Fixed Voice (Landline) services, DSL (Internet) services and Leased Line services in the Punjab Telecom Circle. The Company also operates in Bulk SMS segment.

The Company provides broadband services and the Company has also entered into co-location agreements.

As at 31.03.2021, the Company had a total subscriber base of 2,16,428 customers.

### CORPORATE DEBT RESTRUCTURING SCHEME (CDR SCHEME)

The Corporate Debt Restructuring Cell (CDR Cell) had vide its letter no. CDR(JCP)563/2009-10 dated August 13, 2009 approved a Corporate Debt Restructuring Package (CDR Package) for the company, in order to write off the losses and also to enable the company to service its debts.

Due to continuous losses and financial constraints, the Company has defaulted/delayed in the interest payments accrued towards Lenders on account of Secured Non-Convertible Debentures (NCDs) issued to Lenders as per CDR terms for the period ended March 31, 2021 and principal repayment of Secured NCDs accrued for the period ended March 31, 2021 and till the date of signing of this report. The Company has also not been able to create Capital Redemption Reserve in terms of the provisions of Section 55 (2) (a) and (c) of the Companies Act 2013 since there are no profits available for the same.

However, the Company is regularly serving interest with regards to the working capital limits.

The Company is in discussion with the Lenders for the appropriate recourse in the matter and the Lenders are at an advanced stage of restructuring the debt structure of the Company.

### CHANGE IN NATURE OF BUSINESS

There is no change in the nature of Business of the Company during the period under review.

### EQUITY SHARE CAPITAL AND LISTING OF SHARES

The paid-up Equity share capital of the Company is Rs. 61,22,60,268/- comprising of 61,22,60,268 equity shares of Re. 1/- each. The Company's shares are listed on BSE Limited and are actively traded.

The Company has not issued any new securities during the year under review.

### DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the financial year under review, the Hon'ble Supreme Court in its subsequent judgment on AGR vide dated September 1, 2020, reaffirmed that the demand raised by the DoT stated in its modification application as final and no dispute or re-assessment shall be undertaken.

In addition, Hon'ble Supreme Court directed that the Telecom operators shall make a payment of 10% of the total dues as demanded

by DoT, by March 31, 2021 and remaining dues in yearly installments commencing April 1, 2021 till March 31, 2031, payable by March 31 of every succeeding financial year.

In compliance of the said order of the Hon'ble Supreme Court, the Company has paid to DoT 10% of the total dues amounting Rs. 1892.00 Lakh by way of adjustment from surplus / excess ISP License fee amounting to Rs. 2457.81 Lakh already deposited with DoT, assessed by DoT vide its letter dated 20-06-2017.

Above payment of 10% of dues has also been confirmed by DoT in its affidavit dated 07-04-21 filed before Hon'ble Supreme Court.

**MATERIAL CHANGES OCCURED BETWEEN THE DATE OF END OF THE FINANCIAL YEAR AND THE DATE OF THE BOARD REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year of the Company i.e. 31<sup>st</sup> March 2021 and till the date of signing of this Report i.e. August 13, 2021.

**DIVIDEND**

As on 31.03.2021, the Company has accumulated losses. Your Directors, therefore, have not recommended any dividend for the financial year 2020-21.

**TRANSFER TO RESERVES**

During the year under review, no amount has been transferred to reserves.

**FIXED DEPOSITS**

Your Company has not accepted / renewed any deposits within the meaning of Section 73 of the Companies Act, 2013 and as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

**HUMAN RESOURCE DEVELOPMENT**

The Company offers a dynamic work environment where its employees benefit from working with other innovators, driving meaningful change together, both for its customers and the Company. The Company's compensation and employee benefit practices are designed to be competitive in the respective geographies where we operate. Employee relations continue to be harmonious at all our locations. Professionals are our most important assets. We are committed to hiring and retaining the best talent. For this, we focus on promoting a collaborative, transparent and participative organization culture, and rewarding merit and sustained high performance, including shifting of Manpower from vendor roll to Company's roll to keep the junior manpower in high spirit. Our human resource management focuses on allowing our employees to develop their skills, grow in their career. Moreover Company endeavors to shift junior employees from vendor's roll to the Company's roll to reduce the churn of the junior manpower of the Company.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company, being in the telecommunications sector is not involved in carrying on any manufacturing activity; accordingly, the information required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 with respect to Conservation of Energy, Technology Absorption are not applicable.

However, the following information would give adequate idea of the continuous efforts made by the Company in this regard:

**(i) Energy Conservation:**

- (a) Electricity is used for the working of the Company's telephone exchanges and other network infrastructure equipment. The Company regularly reviews power consumption patterns across its network and implements requisite changes in the network or processes in order to optimize power consumption and thereby achieve cost savings.
- (b) Reduction in the running of the Diesel Generator (DG) Sets during power cuts at its various tower sites.

**(ii) Technology Absorption:** The Company has not imported any technology. The Company has not yet established separate Research & Development facilities.

**(iii) Foreign Exchange Earnings And Outgo:**

During the year, there were no foreign exchange earnings; the total foreign exchange outgo was to the tune of Rs. 9.67 millions, which was on account of Import of Consumable Items and finance charges.

**ANNUAL RETURN**

In accordance with the Companies Act, 2013, the annual return in the prescribed format is available at [www.connectzone.in](http://www.connectzone.in)

**PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is appended as Annexure-1 to the Board's Report.

Particulars of remuneration of employees required to be furnished in terms of Rules 5(2) and 5(3) of the said Rules, forms part of this Report, which shall be provided to Members upon written request pursuant to the second proviso of Rule 5. Particulars of remuneration of employees are available for inspection by Members at the registered office of the Company during business hours on all working days up to the date of the forthcoming AGM.

The remuneration paid to all Key Managerial Personnel is in accordance with remuneration policy adopted by the Company.

**INTERNAL FINANCIAL CONTROL SYSTEM AND THEIR ADEQUACY**

The details in respect of internal financial control and their adequacy are included in the Management Discussion & Analysis, which forms part of this report.

**VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including Directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of Section 177(9) of the Companies Act, 2013 and the Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (URL: [http://www.connectzone.in/corporate\\_governance.php](http://www.connectzone.in/corporate_governance.php)).

**RELATED PARTY TRANSACTIONS**

In line with the requirements of Section 188 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on Related Party Transactions and the same is posted on the Company's URL: [http://www.connectzone.in/corporate\\_governance.php](http://www.connectzone.in/corporate_governance.php)

Information on transaction with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not provided since there are no transactions with related parties during financial year 2020-21, except payment of remuneration to the Chief Financial Officer and Company Secretary.

#### **CORPORATE SOCIAL RESPONSIBILITY**

In terms of the provisions of Section 135 read with Schedule VII and the Rule made thereunder, every Company having net-worth of Rs. 500 Crore or turnover of Rs.1,000 Crore or Net Profit of Rs.5 Crore is required to constitute Corporate Social Responsibility Committee. The Company does not meet any of the above criteria. As such the Company is not required to constitute Corporate Social Responsibility Committee and comply with the requirements of Section 135 read with Schedule VII and the Rules made thereunder.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Pursuant to the provisions of Section 134(3)(g) of the Companies Act 2013, particulars of Loans/guarantee/investments/securities given under Section 186 of the Act are given in the related notes to the Financial Statements forming part of the Annual Report.

#### **BOARD EVALUATION**

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors. Performance of the Board and individual directors was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, experience, effectiveness of board processes, quality of decision making, information and functioning etc.

Performance of the committees was evaluated after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

In a separate meeting held on February 12, 2021 of independent directors, performance of non-independent directors and the Board as a whole was evaluated, taking into account the views of non-executive directors. All Directors participated in the evaluation process. The Board noted the suggestions / inputs of independent directors and Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

#### **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry. The familiarization programme adopted by the Company is posted on the website of the Company's URL: [http://www.connectzone.in/corporate\\_governance.php](http://www.connectzone.in/corporate_governance.php)

#### **REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

In terms of the provisions of Section 178(3) of the Act and under Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration Committee (NRC) is responsible for formulating the criteria for determining qualification, positive attributes and independence of Directors. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.

In line with this requirement, the Board has adopted the Policy relating to the remuneration of the Directors, Key Managerial

Personnel and other employees and the same has been disclosed in the Corporate Governance Report, which forms part of the Directors' Report. The same is also available on the Company's website URL: [http://www.connectzone.in/corporate\\_governance.php](http://www.connectzone.in/corporate_governance.php)

#### **NUMBER OF MEETINGS OF THE BOARD**

Four Meetings of the Board were held during the year. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

#### **THE DETAILS OF DIRECTORS WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR**

Mrs. Mitu Mehrotra Goel, Non-executive Director ceased to be a Director of the Company due to resignation w.e.f. August 28, 2020. Mrs. Anushka J. Vagal, was appointed as an Additional Director w.e.f. November 20, 2020 subject to regularization by the shareholders of the Company at the ensuing Annual General Meeting.

There is no Non-executive Director on the Board, accordingly in terms of the provisions of Section 152 (6) of the Companies Act, 2013 and the Rules made there under, none of the Directors retire by rotation.

A brief profile of Director seeking confirmation/appointment, nature of expertise in specific functional area, name of other companies in which they holds Directorship(s) and Membership(s)/ Chairmanship(s) of the Committees of the Board of Directors and the particulars of the shareholding as stipulated under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Notice.

During the year, the non-executive director of the Company had no pecuniary relationship or transactions with the Company.

#### **THE DETAILS OF KEY MANAGERIAL PERSONNEL WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR**

During the financial year there was no change in the Key managerial Personnel of the Company. Further, no changes took place in Key Managerial Personnel during the period commencing 1<sup>st</sup> April, 2021 till the date of signing of Board Report.

#### **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received declarations from all Independent Directors of the Company Confirming that they meet with the criteria of independence, as prescribed under section 149 of the Companies Act, 2013 read with sub-rule (3) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct. In the opinion of the Board the Independent Directors possess relevant expertise, experience, proficiency and integrity for the appointment as Independent Directors.

#### **STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, the Company had, on 20<sup>th</sup> September, 2019, appointed M/s. SGN & Co., Chartered Accountants, Mumbai as Statutory Auditors (Firm Registration No. 134565W), as Statutory Auditors of the Company for a period of 5 years from the conclusion of Seventy Second (72<sup>nd</sup>) Annual General Meeting of the Company until the conclusion of Seventy Seventh (77<sup>th</sup>) Annual General Meeting of the Company.

#### **COST AUDITOR**

The Central Government had directed vide its order no. 52/26/CAB-2010 dated 6<sup>th</sup> November, 2012 to conduct a Cost Audit in respect of the specified products viz., Telecommunication Industry.

The Board of Directors of the Company had appointed M/s Sanjay Gupta & Associates, as Cost Auditor of the Company for the financial year 2020-21. The Cost Auditors have submitted their report and the same shall be filed with the Registrar of the Companies within the specified timeline.

The Board of Directors of the Company has again accorded its approval for the appointment of M/s Sanjay Gupta & Associates, Cost Accountants, New Delhi, as Cost Auditor of the Company, for the financial year commencing on 1<sup>st</sup> April, 2021 and ending on 31<sup>st</sup> March, 2022, subject to the approval of the Central Government, if any.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the members of the Company. Accordingly, consent of the Members is sought by way of an Ordinary Resolution for ratification of the remuneration amounting to Rs. 70,000/- (Rupees Seventy Thousands Only) plus applicable service tax and out of pocket expenses payable to the Cost Auditors for financial year commencing on 1<sup>st</sup> April, 2021.

In compliance with the provisions of the Companies (Cost Audit Report) Rules, 2011 and General Circular No. 15/2011 issued by Government of India, Ministry of Corporate Affairs, Cost Audit Branch, we hereby submit that, the Company has filed the Cost Audit Report for the financial year ended on 31<sup>st</sup> March, 2020 with the Registrar of Companies within the prescribed timeline.

#### SECRETARIAL AUDITOR AND ANNUAL SECRETARIAL COMPLIANCE

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s B K Gupta & Associates (CP No. 5708; FCS: 4590), Practicing Company Secretary to undertake the secretarial audit of the company for the financial year 2020-21. The Secretarial Auditor has submitted the Report on the Secretarial Audit conducted by him for the financial year 2020-21 which forms part of the Board's Report as Annexure - 2 and the same contains no qualification/ adverse remarks.

The Board has again appointed M/s BK Gupta & Associates, Practicing Company Secretary to undertake the secretarial audit and to issue the Annual Secretarial Compliance pursuant to Regulations 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 of the Company for the Financial year 2021-22.

In terms of Circular No. CIR/CFD/CMD1/27/2019, February 08, 2019, issued by Securities Exchange Board of India (SEBI) read with Regulations 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 the Company has also submitted the Annual Secretarial Compliance issued by M/s B. K. Gupta & Associates with the Stock Exchange within the stipulated timeline.

#### INTERNAL AUDITORS

M/s Ernst and Young perform the duties of internal auditors of the Company and their report is reviewed by the Audit Committee from time to time.

#### AUDIT COMMITTEE

In compliance with the provisions of Section 177 of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has constituted an Audit Committee. The composition, scope and powers of the Audit Committee together with details of meetings held during the year under review, forms part of the Corporate Governance Report.

The recommendations of the Audit Committee are accepted by the Board.

#### RISK MANAGEMENT POLICY

The Company has formed a Risk Management Policy for monitoring and reviewing the risk management plan and ensuring its effectiveness. The policy defines the risk management approach across the organization at various levels including documentation and reporting. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis.

The Board regularly reviews the significant risks and decisions that could have a material impact on the Company. These reviews consider the level of risk that Company is prepared to take in pursuit of the business strategy and the effectiveness of the management controls in place to mitigate the risk exposure.

#### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

As of March 31, 2021, there were no amounts eligible for transfer to the Investor Education and Protection Fund (IEPF) of the Central Government, in terms of the provisions of Section 125 of the Companies Act, 2013.

#### SUBSIDIARY COMPANIES

As of March 31, 2021, the Company has no subsidiary company; hence the information in AOC-1 pursuant to the provisions of Section 129(3) of the Companies Act, 2013 is not applicable.

#### JOINT VENTURES/ASSOCIATE COMPANIES

As of March 31, 2021, the Company is an Associate Company of Quadrant Enterprises Private Limited. However, there are no Joint Ventures of the Company.

#### CONSOLIDATED FINANCIAL STATEMENTS

As on 31<sup>st</sup> March, 2021, the Company has no subsidiary Company and the consolidated financial statements has not been compiled. Hence, the provisions relating to consolidation of accounts is not applicable to the Company.

#### STATUTORY AUDITORS' REPORT

The Statutory Auditors of the Company, M/s. SGN & Co., Chartered Accountants, Mumbai as Statutory Auditors, have submitted the Auditors' Report which has the following observation on Standalone Financial Statements for the period ended March 31, 2021.

#### MANAGEMENT'S EXPLANATION TO THE AUDITORS' QUALIFICATIONS/OBSERVATIONS:-

##### 1) Auditors' Qualification in the Standalone Auditor's Report

###### Basis of Qualified Opinion:-

*As stated in Note No. 40 of the statements, balances of some of the trade payable, other liabilities, advances and security deposits pertaining to erstwhile GSM business are subject to confirmations, reconciliation and adjustments, if any. The effect of the same is unascertainable, and hence the consequential cumulative effect thereof on net loss including other comprehensive income for the year, assets, liabilities and other equity is unascertainable.*

###### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effect of the matter described in the Basis for qualified Opinion in above paragraph*, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act

read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### Management's Explanations to the Auditor's Qualification in the Standalone Auditor's Report

The Company is in process of reconciliations / adjustments, if any, on its balances of some of the trade payable, trade receivable, other liabilities, advances and deposits. The requisite accounting effect, if any, will be given upon such reconciliation.

### 2) Auditors' Observation in the Standalone Auditor's Report

We draw attention to note no. 42 to the financial statements, wherein the Company has incurred a net loss of Rs. 2,959,375,788 during the year and the accumulated losses as at March 31, 2021 amounted to Rs. 22,317,512,974 resulting in, the erosion of its net worth, these factors raise doubts that the Company will not be able to continue as a going concern. The management is confident of generating cash flows from continue business operations through increasing subscriber' base and ARPU as well as through restructuring of bank loans along with the support of other stakeholders. Hence, in view of the above, the financial statements have been prepared on a going concern basis. Our report is not qualified in respect of this matter.

### Management's Explanations to Auditors' Observation in the Standalone Auditor's Report

The accumulated losses of the Company as at March 31, 2021 are more than fifty percent of its net worth as at that date. The losses are due to declining / Competitive market of the fixed line business and high operating costs. The management is confident of generating cash flows from business operations through increasing subscribers' base and other value added services and reducing losses gradually. Further with the support of significant Stakeholders to fund its operating and capital expenditure. Management is confident of meeting its funds requirement. Moreover, the Company is under advance stage of debt restructuring.

### 3) Auditors' Observation in the Annexure to the Standalone Auditor's Report

Point No. VIII of the Annexure to Auditor's Report which summarizes the basis of Qualification "According to the information and explanations given to us and records examined by us, the Company has defaulted in repayment of dues (including accrued interest on default amounts) to banks / debenture holders as follows:

A. Amount Outstanding as at March 31, 2021 and not paid till date	Amount of Default as at March 31, 2021		Delay/Default (In days)	
	Principal	Interest	Principal	Interest
IDBI Bank	1,197,869,378	675,459,828	30 - 1339 Days	31 - 1186 Days
Kotak Mahindra Bank	71,336,265	38,604,275	31 - 913 Days	30 - 913 Days
Life Insurance Corporation of India	237,739,860	163,006,690	30 - 1461 Days	31 - 1520 Days
State Bank of India	79,250,160	54,004,690	30 - 1461 Days	31 - 1520 Days

Punjab National Bank (Earlier Oriental Bank of Commerce)	237,750,480	165,014,045	30 - 1461 Days	31 - 1520 Days
<b>Total</b>	<b>1,823,946,143</b>	<b>1,096,089,528</b>		

Further, amount defaulted during the year and paid before the Balance Sheet date are as under:

B. Amount paid before the year end	Amount		Delay/Default (In days)	
	Principal	Interest	Principal	Interest
IDBI Bank	-	80,000,000	-	1031-1211 Days
Kotak Mahindra Bank	-	10,00,000	-	857-906 Days
Life Insurance Corporation of India	-	20,00,000	-	1458-1513 Days
State Bank of India	-	10,00,000	-	1464-1513 Days
Oriental Bank of Commerce	-	-	-	-
<b>Total</b>	<b>-</b>	<b>84,000,000</b>	<b>-</b>	<b>-</b>

### Management's Explanations to Auditors' observation in the Annexure to the Standalone Auditor's Report

Due to continuous losses and financial constraints, the Company has defaulted/ delayed the interest payments accrued towards Lenders on account of Secured Non-Convertible Debentures (NCDs) issued to Lenders as per CDR terms for the period ended March 31, 2021 and principal repayment of Secured NCDs accrued for the period ended March 31, 2021 and till the date of signing of this report. The Company is in discussions with Lenders for appropriate recourse in the matter.

### DETAILS OF FRAUD REPORTED BY AUDITOR

No fraud is reported by auditors under section 143(12) of Companies Act 2013.

### PREVENTION OF SEXUAL HARASSMENT POLICY

The Company has zero tolerance for sexual harassment and has adopted a policy on prevention, prohibition and redressal of sexual harassment in line with requirement of the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and complied with all provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 including constitution of Internal Complaints Committee. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review the Committee/Management has not received any complaint related to Sexual Harassment.

### POLICY ON PREVENTION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has framed a) Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and b) Code of Fair Disclosure. The Company's Code, inter alia, prohibits purchase and/or sale of shares of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods. Both the Codes are available at the website of the Company.

**CORPORATE GOVERNANCE**

Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders and maintaining high standards of Corporate Governance has been fundamental to the business of your Company. A separate report on Corporate Governance is provided together with the Management Discussion and Analysis Report as well as Corporate Governance Compliance Certificate pursuant to the requirements of Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms part of the Annual Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 of the Act, the Directors state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The Directors has selected such accounting policies and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit and loss of the Company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (e) The Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively;
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**APPLICATION/PROCEEDING UNDER INSOLVENCY AND BANKRUPTCY CODE 2016**

During the year under review, two operational Creditors (Rollout Vendors) of the Company, namely Kinetics Infotel Private Limited and Ascend Telecom Infrastructure Private Limited have each filed an application with National Company Law Tribunal, Mumbai, branch for the recovery of a claim of Rs.22,16,894/- and Rs.1,06,82,614/- respectively. Both the cases have been listed and the Company is well prepared to defend both the cases appropriately. The amounts involved in both the cases are not very huge and the matters are expected to be resolved smoothly.

**ONE TIME SETTLEMENT WITH ANY BANK**

During the year under review, the Company has executed One Time Settlement with HDFC Bank Limited for the amount payable towards Cash Credit facility availed by the Company. However, there has been no valuation done for the said purpose.

**ACKNOWLEDGEMENTS**

The Directors thank the Company's employees, customers, vendors, investors and partners for their continuous support. The Directors also thank the Department of Telecommunications, Financial Institutions, Banks, Lenders and the various Central and State Government Departments, Business Associates, Shareholders and Subscribers.

The Directors appreciate and value the contributions made by all our employees and their families for making the Company what it is.

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

<p><b>Place: Mohali</b> <b>Date: August 13, 2021</b></p>	<p><b>Anushka J. Vagal</b> <b>Director</b> <b>(DIN: 08966439)</b></p>	<p><b>Dinesh Kadam</b> <b>Director</b> <b>(DIN: 08282276)</b></p>
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**REMUNERATION RELATED DISCLOSURES, PURSUANT TO PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	All the Directors of the Company are Non-Executive and they are entitled for payment of sitting fee only on account of Board Meetings / Committee Meetings attended by them from time to time. Since, the Company is not paying any remuneration to its Directors therefore the ratio of remuneration of each director to the median remuneration of the employee cannot be derived.				
Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	The Company has the appraisal cycle of April to March. The increments generally released are effective from 1st April every year. The detail of remuneration paid to Key Managerial Personnel of the Company is as under: -				
	<b>Name</b>	<b>Designation</b>	<b>Remuneration paid FY 2020-21 (In Rs. Lacs)</b>	<b>Remuneration Paid in FY 2019-20 (In Rs. Lacs)</b>	<b>% Increase/ (Decrease) in Remuneration from previous year</b>
	Mr. Gourav Kapoor	Company Secretary and Manager u/s 2(53)	7.74	7.54	2.65%
	Mr. Munish Bansal	Chief Financial Officer	21.34	17.33	23.14%
Percentage increase in the median remuneration of employees in the financial year;	In the financial year, there was decrease of 3.50% in the median remuneration of employees.				
Number of permanent employees on the rolls of company;	1059 (as on 31st March, 2021)				
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	In view of the Covid -19 pandemic there was no increase in the remuneration of any employees. The increase in remuneration of Key Managerial Personnel is on account of One Time Performance based incentive of the financial year 2019-20, paid in the financial year 2020-21. The Compensation structure and revision in the remuneration of the employees is guided by our reward policy, external competitiveness and benchmarking and is as per the compensation and appraisal policy of the Company.				
Affirmation that the remuneration is as per the remuneration policy of the Company.	It is affirmed that the remuneration is as per the Remuneration Policy of the Company.				

For and on behalf of the Board of Directors

Place: Mohali  
Date: August 13, 2021

Anushka J. Vagal  
Director  
(DIN: 08966439)

Dinesh A. Kadam  
Director  
(DIN: 08282276)



**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To  
THE MEMBERS  
QUADRANT TELEVENTURES LIMITED  
AUTO CARS COMPOUND,  
ADALAT ROAD, AURANGABAD,  
MAHARASHTRA- 431005.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Quadrant Televentures Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018- Not applicable during the audit period;
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014- Not applicable during the audit period
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008-Not applicable during the audit period
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009-Not Applicable during the audit period; and
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018-Not Applicable during the audit period;
- (vi) The other laws as informed and certified by the management of the company which are specifically applicable to the Company based on their sector/ industry are:
  - (a) The Indian Telegraph Act, 1885.
  - (b) The Telecom Regulatory Authority of India Act, 1997 and Rules and Regulations made there under.

We have also examined compliance with the applicable clauses of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India
- (b) The Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**We further report that** during the audit period the company has not made any decisions which are having major bearing in the Company's affair in pursuance of above referred laws, rules, regulation, guidelines, standards, etc.

**for B.K. Gupta & Associates  
Company Secretaries**

Sd/-

(CS Bhupesh Gupta)

FCS No.:4590

CP No.:5708

UDIN:F004590C000437132

**Place: Ludhiana**

**Date: 09-06-2021**

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

**LIST OF LABOUR LAWS AND ENVIRONMENTAL LAWS WHICH HAVE BEEN VERIFIED DURING AUDIT PERIOD****List of Labour Laws**

Factories Act, 1948- **Not Applicable**

Industrial Disputes Act, 1947

The Payment of Wages Act, 1936

The Minimum Wages Act, 1948

Employee's State Insurance Act 1948

The Payment of Bonus Act, 1972

The Contract Labour (Regulation and Abolition) Act, 1970

The Apprentices Act, 1961

The Employees' Provident Fund and Miscellaneous Provisions Act, 1952

The Payment of Gratuity Act, 1972

The Maternity Benefit Act, 1961

The Child Labour (Prohibition and Regulation) Act, 1986

The Industrial Employment (Standing Orders) Act, 1946 - **Not Applicable**

The Workmen' Compensation Act, 1923- **Not Applicable**

Equal Remuneration Act, 1976

The Employment Exchange (Compulsory Notification of Vacancies) Act, 1956

**List of Environmental Laws- Not Applicable**

Environment (Protection) Act, 1986

The Public Liability Insurance Act, 1991

Water (Prevention and Control of Pollution) Act, 1974

Air (Prevention and Control of Pollution) Act, 1981

Hazardous Waste (Management, Handling and Transboundary Movements) Rules, 2008

To  
THE MEMBERS  
QUADRANT TELEVENTURES LIMITED  
AUTO CARS COMPOUND,  
ADALAT ROAD, AURANGABAD,  
MAHARASHTRA 431005.

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

**for B.K. Gupta & Associates  
Company Secretaries**

**Sd/-**

(CS Bhupesh Gupta)  
FCS No.:4590  
C P No.:5708

**Place: Ludhiana  
Date: 09-06-2021**

## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2020-21

(As required under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built. Integrity and transparency are key to the Corporate Governance practices and retain the trust of stakeholders at all times. The Corporate Governance seeks to focus on enhancement of long-term stakeholders' value without compromising on ethical standards and Corporate Social Responsibilities. Consider stakeholders as partners in the journey forward and committed to ensure their wellbeing, despite business challenges and economic volatilities.

### 1. GOVERNANCE PHILOSOPHY

Corporate Governance is about commitment to values and ethical business conduct. We look upon good Corporate Governance practices as a key driver of sustainable corporate growth and long term shareholders value creation. Good Corporate Governance is about enhancing value for all our stakeholders. The Company is dedicated to adopt best practices in Corporate Governance and disclosures thereunder. This comprises its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Timely disclosure of information regarding the financial situation, performance, ownership and governance of the Company are an important part of Corporate Governance. The Company complies with all statutory and regulatory requirements on Corporate Governance and has constituted the requisite committees to look into issues of financial reporting, investor grievances, corporate social responsibilities, risk management and executive remuneration. Your Company confirms compliance to the Corporate Governance requirements as cherished in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time [hereinafter referred to as 'Listing Regulations'], the details of which for the Financial Year ended March 31, 2021 is as set out hereunder:

### 2. BOARD OF DIRECTORS

#### (A) Composition of the Board

As on March 31, 2021, the Board of Directors of the Company consists of Four Directors, including two Independent Directors and a Nominee Director as per the details mentioned in the table given below. The Board Members possess requisite management skills and adequate experience and expertise. The Board directs and reviews the overall business operations of the Company; the day-to-day affairs are being managed by the Business Heads. In the opinion of the Board, the independent directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

None of the directors are members in more than ten Committees and/or Chairman of more than five Committees across all companies in which they are directors. All Directors have made necessary disclosures regarding Committee position.

As on 31.03.2021, the Board comprised of the following Directors:

Name of the Director	Category	No. of Directorships in other Companies#	No. of other Directorships in Listed Companies (Category of Directorship)	No. of other Committee positions held in other Companies##		No. of Shares / Convertible Instruments held
				Committee Chairmanship	Committee Memberships	
*Mrs. Anushka J. Vagal	Non-executive Director	NIL	NIL	NIL	NIL	NIL

Mr. Dinesh A. Kadam	Independent Director	NIL	NIL	NIL	NIL	NIL
Mr. Pritesh G. Lohati	Independent Director	NIL	NIL	NIL	NIL	NIL
Mr. Suneel B. Gollapalli Nominee of IDBI Bank Limited	Non-executive Director	NIL	NIL	NIL	NIL	NIL

\*Mrs. Anushka J. Vagal was appointed as Non-Executive Director w.e.f. November 20, 2020. Mrs. Mitu Mehrotra Goel has resigned as Non-Executive Director w.e.f. August 28, 2020.

#### Note:

#Only Includes Membership / Chairmanship in other Public Limited Companies and excludes Private Companies and foreign Companies.

##Committees considered are Audit Committee and Stakeholders Relationship Committee.

No Director is related to any other Director on the Board in terms of the definition of relative given under the Companies Act, 2013.

#### (B) Information Placed before the Board

During the year 2020-21, information as mentioned in Part – A of Schedule II under Regulation 17(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were placed before the Board which includes the following matters: -

- A. Annual operating plans and budgets and any updates.
- B. Capital budgets and any updates.
- C. Quarterly results for the listed entity and its operating divisions or business segments.
- D. Minutes of meetings of audit committee and other committees of the board of directors.
- E. The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- F. Show cause, demand, prosecution notices and penalty notices, which are materially important.
- G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- H. Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- J. Details of any joint venture or collaboration agreement.
- K. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.

- L. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- M. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- N. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- O. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

**(C) Code of Conduct**

The Company has a Code of Conduct for members of the Board and Senior Management. The Code lays down, in detail, the standards of business conduct ethics and governance.

A copy of the Code has been put on the Company’s website, (URL: <http://www.connectzone.in/corporategovernance.php>)

The Code has been circulated to all the members of the Board and Senior Management and they have affirmed compliance of the same. A declaration signed by the Manager as defined u/s 2(53) of the Companies Act, 2013 to this effect forms part of this report.

**(D) Number of Board Meetings held, dates and attendance; including attendance at the last Annual General Meeting:**

The Board meets every quarter to review and discuss the operations and operating results and financials apart from other items pertaining to statutory compliances and routine administrative items on the agenda.

Additional board meetings are held whenever required. During the financial year ended 31.03.2021, 4 (Four) Board Meetings were held and the gap between two meetings did not exceed one hundred twenty days. The dates on which the said meetings were held are as follows: -

June 23, 2020, August 13, 2020, November 10, 2020 and February 12, 2021

One separate meeting of Independent Directors was also held on February 12, 2021, which was attended by all the Independent Directors.

The 73<sup>rd</sup> Annual General Meeting (AGM) of the shareholders was held on September 18, 2020.

ATTENDANCE AT BOARD MEETINGS/ AGM IN THE FINANCIAL YEAR-2020-2021			
Name of the Director	No. of Board Meetings Held/Attended		Last AGM attended (Yes/No)
	Held during the Tenure	Attended	
#Mr. Dinesh A. Kadam	4	4	Yes
Mr. Pritesh G. Lahoti	4	4	Yes
Mr. Suneel B. Gollapalli	4	4	No
Mrs. Anushka J. Vagal	1	1	No
*Mrs. Mitu Mehrotra Goel	2	2	No

#Chairman of the Audit Committee

\* Mrs. Mitu Mehrotra Goel has resigned as Non-Executive Director w.e.f. August 28, 2020.

**(E) Relationships between Directors inter-se**

None of the Directors are related to each other.

**(F) Brief Profile of Directors seeking appointment/reappointment:**

The brief profile of director seeking appointment/reappointment is appended to the Notice convening the Seventy Fourth Annual General Meeting.

**(G) Familiarization Programme for Independent Directors**

In terms of the Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has laid down a familiarization program for the independent directors. At the time of appointment of an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. The Independent Directors of the Company were also provided with necessary documents/brochures, reports and internal policies to familiarise them about the telecom industry, business operations and functioning of various divisions/departments of the Company.

Accordingly, the Company has been following the familiarization programme which has helped its independent directors to equip themselves with the Company.

The details relating to the Familiarization Programme have been uploaded on the website of the Company viz. (URL:<http://www.connectzone.in/corporategovernance.php>)

**(H) The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:**

Business	Understanding, of business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

Each of the Directors of the Company possesses the skills specified as above for performance of their duties.

**(I) Confirmation regarding Independent Director**

The Board hereby confirms that in the opinion of the Board, the Independent directors fulfill the conditions specified in these regulations and are independent of the management.

**(J) Reason for Resignation of Independent Directors**

No Independent Director has resigned from the Board of Directors of the Company during the financial year under review.

## 3. AUDIT COMMITTEE:

**Composition**

As on 31.03.2021, the Audit Committee comprised of the following members:

Name	Designation	Category
Mr. Dinesh A. Kadam	Chairman	Independent Director
Mr. Pritesh G. Lahoti	Member	Independent Director
Mr. Suneel Babu Gollapalli	Member	Nominee Director of IDBI Bank Limited

The constitution of the Audit Committee is in line with Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. Mr. Dinesh Kadam was appointed as Chairman of the Audit Committee w.e.f. February 14, 2020. The Committee meets regularly and the Statutory Auditors, the Internal Auditors, and other senior officers including the Chief Financial Officer (CFO) are permanent invitees to the Committee Meetings. The quorum for the Audit Committee is two independent Directors. The Company Secretary is the *de-facto* Secretary of the Committee. The Chairman of the Audit Committee was present at the Annual General Meeting held on September 18, 2020.

During the year under review, 4 (Four) Audit Committee meetings were held on the following dates:

June 23, 2020, August 13, 2020, November 10, 2020 and February 12, 2021.

**The Attendance of the members at the Audit Committee Meetings was as under: -**

Name of the Members	No. of Meetings held during the tenure	No. of Meetings Attended
Mr. Dinesh A. Kadam	4	4
Mr. Pritesh G. Lahoti	4	4
Mr. Suneel Babu Gollapalli	4	4

**Broad Terms of reference, as stipulated by the Board, to the Audit Committee are as follows:**

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees and payment for any other service.
- Approval of appointment of the Cost Auditor & Internal Auditor.
- Reviewing, with the management, the annual financial plans and financial statements before submission to the Board for approval, with particular reference to:
  - a. Matters which are required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same

- c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Modified opinion (s), if any, in the draft Audit Report.
- Reviewing, with the management, among others, the following matters:
    - a. Quarterly financial statements before submission to the Board for approval.
    - b. Statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.) the statement of funds utilized for purposes other than those stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
    - c. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
    - d. Approval or any subsequent modification of transactions of the Company with related parties.
    - e. Scrutiny of inter-corporate loans and investments.
    - f. Valuation of undertakings or assets of the Company wherever it is necessary.
    - g. Evaluation of internal financial controls and risk management systems.
    - h. Performance of Statutory Auditors, including Cost Auditor and Internal Auditors adequacy of the internal control systems.
    - i. Adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
    - j. Discussion with internal auditors of any significant findings and follow up there on.
    - k. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
    - l. Discussion with Statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
    - m. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.

- n. To review the functioning of the Whistle blower mechanism/Vigil Mechanism.
  - o. Approval of appointment of CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
  - p. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
  - q. Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
  - r. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on the listed entity and its shareholders.
- The Audit Committee has been mandatory authorized to review the following Information:
    - a. Management discussion and analysis of financial condition and results of operations.
    - b. Statement of significant related party transactions, submitted by the management.
    - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
    - d. Internal audit reports relating to internal control weaknesses.
    - e. The appointment, removal and terms of remuneration of internal auditors / chief internal Auditor.
    - f. Statement of deviations;
      - i. Quarterly statement including report of monitoring agency, if applicable, submitted to Stock exchange in terms of Regulation 32(1)
      - ii. Annual statement of funds utilized for the purpose other than those stated in the offer documents/prospectus/notice in terms of Regulation 32(7)

**4. NOMINATION AND REMUNERATION COMMITTEE**

As on 31<sup>st</sup> March, 2021, the Nomination and Remuneration Committee comprised of the following members: -

Name	Designation	Category
Mr. Dinesh A. Kadam	Chairman	Independent Non-executive Director
*Mrs. Anushka J. Vagal	Member	Non-executive Director
Mr. Pritesh G. Lahoti	Member	Independent Non-executive Director

*\*Mrs. Anushka J. Vagal was inducted as Member of Nomination and Remuneration Committee w.e.f. February 12, 2021. Mrs. Mitu Mehrotra Goel ceased to be a member of the Committee due to resignation w.e.f. August 28, 2020.*

The Company Secretary is the de-facto Secretary to the committee.

During the year under review, 1 (One) Meeting of the Committee was held on February 12, 2021.

The Attendance of the members at the Nomination and Remuneration Committee Meetings was as under: -

Name of the Members	No. of Meetings held during the tenure	No. of Meetings Attended
Mr. Dinesh A. Kadam	1	1
Mrs. Anushka J. Vagal	1	1
Mr. Pritesh G. Lahoti	1	1

Role of committee includes inter-alia, the following:

- (1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (6) recommend to the board, all remuneration, in whatever form, payable to senior management.

**Remuneration Policy:**

The Company has formulated the remuneration policy. The details of this policy are available on the Company's website viz. (URL: <http://www.connectzone.in/corporategovernance.php>)

**Performance evaluation criteria:**

In compliance with the provisions of the Act and the Listing Regulations, the process, attributes, criteria and format for the performance evaluation of the Board, Board Committees and Individual Directors including the Chairman has already been approved. The process provides that the performance evaluation shall be carried out on an annual basis. For the year, the Directors completed the evaluation process which included evaluation of the Board as a whole, Board Committees and individual Directors including the Chairman. Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, quality, diversity, experience, competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness. Performance of individual Directors including the Independent Directors was evaluated on parameters such as standards of ethics and integrity, participation and contribution, responsibility towards stakeholders and independent judgment.

**5. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The **Stakeholders Relationship Committee** - which is a Board level Committee, approves the transfer/transmission/transposition in excess of 5,000 shares pertaining to any single shareholder;

As on 31.03.2021, the Stakeholders Relationship Committee comprised of the following members: -

Name	Designation	Category
Mr. Dinesh A. Kadam	Chairman	Independent Non-executive Director
Mr. Pritesh G. Lahoti	Member	Independent Non-executive Director
*Mrs. Anushka J. Vagal	Member	Non-executive Director

\*Mrs. Anushka J. Vagal was inducted as Member of Stakeholders Relationship Committee w.e.f. February 12, 2021. Mrs Mitu Mehrotra Goel ceased to be a member of the Committee due to resignation w.e.f. August 28, 2020.

During the year under review, 2 (Two) Meetings of the Committee were held on June 23, 2020 and August 13, 2020 and the same was attended by all the members of the committee.

The Attendance of the members at the Stakeholders Relationship Committee Meetings was as under: -

Name of the Members	No. of Meetings held during the tenure	No. of Meetings Attended
Mr. Dinesh A. Kadam	2	2
Mr. Pritesh G. Lahoti	2	2
*Mrs. Anushka J. Vagal	NIL	NIL
Mrs. Mitu Mehrotra Goel	2	2

\*Mrs. Anushka J. Vagal was inducted as Member of Stakeholders Relationship Committee w.e.f. February 12, 2021. Mrs Mitu Mehrotra Goel ceased to be a member of the Committee due to resignation w.e.f. August 28, 2020.

#### Terms of reference and Scope of the Committee:

The role of the committee shall *inter-alia* include the following:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

This Committee meets on need basis to approve the share transfers / transmission in excess of 5,000 shares pertaining to any single shareholder as well as the issue of duplicate share certificates. In respect of requests received for "Loss of shares", only the Stakeholders Relationship Committee is empowered to issue the duplicate share certificates.

#### Status of Investor Complaints

Details of Investor Complaints received and redressed during the year ended March 31, 2021:-

PARTICULARS	NO. OF COMPLAINTS
No. of Complaints pending as on 1 <sup>st</sup> April, 2020	NIL
No. of Complaints received during the year (From 1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021)	NIL
No. of Complaints resolved during the year (From 1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021)	NIL
No. of Complaints remaining unresolved as on 31 <sup>st</sup> March, 2021	NIL

#### 5A Share Transfer In-house Committee (STIC)

Besides the Stakeholders Relationship Committee which consists of Board Members, there is another in-house Committee known as the Share Transfer In-House Committee (STIC), which meets for the approval of transfer/transmission/transposition/split of physical shares for quantities up to 5,000 shares pertaining to any single shareholder, in each individual transaction, and to take on record / note the remat / demat of shares done by the Registrar and Share Transfer Agent (RTA) in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to expedite the process for transfer/transmission of shares, apart from the redressal of shareholders' complaints.

As of March 31, 2021, the Share Transfer In-house Committee comprised of the following members: -

Name	Designation	Category
Mr. Dinesh A. Kadam	Chairman	Independent
Mr. Pritesh G. Lahoti	Member	Independent
Mr. Munish Bansal	Member	Chief Financial Officer
Mr. Gourav Kapoor	Member	Company Secretary & Manager u/s 2(53) of Companies Act 2013

However, this Committee is not empowered to issue duplicate shares in case of loss of share certificate(s) but is only authorized to issue duplicate certificate(s) in cases where mutilated / torn / partially burnt original shares certificates are surrendered to the Company.

#### 6. DIRECTORS REMUNERATION

- a. No other remuneration is paid to the Non-Executive Directors except the sitting fees for attending meetings of the Board/Committees.
- b. The Company pays sitting fees of Rs. 5000/- to all the Directors for each meeting of the Board and/or Committee. However, no Sitting Fees is paid for Share Transfer In-House Committee meetings.

The details of sitting fees paid to Directors during the financial year 2020-21 were as under: -

Sr. No.	Name of the Director	Sitting Fee
1	Mr. Dinesh Kadam	55,000
2	Mrs. Anushka J. Vagal	10,000
2	Mr. Pritesh G. Lahoti	55,000
3	Mr. Suneel Babu Gollapalli (Nominee Director)	40,000
5	*Mrs. Mitu Mehrotra Goel	20,000

\*Mrs. Mitu Mehrotra Goel resigned as Non-Executive Director w.e.f. August 28, 2020.



**Stock Option:**

The Company has not issued any Stock Options

**Compliance Officer**

Mr. Gourav Kapoor, Company Secretary is the Compliance Officer of the Company.

**7. RISK MANAGEMENT COMMITTEE**

The provisions related to constitution of Risk Management Committee in terms of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) are not applicable to the Company pursuant to sub regulation 5 of the said Regulation 21.

**8. General Body Meetings**

- The location and time of the last three Annual General Meetings was as under:

AGM	Date	Location	Time	Special Resolution Passed
73 <sup>rd</sup>	18.09.2020	Through Video Conference (VC) and Other Audio Visual Means (OAVM)	12.30 PM	NIL
72 <sup>nd</sup>	20.09.2019	Autocars Compound, Adalat Road, Aurangabad, 431005, Maharashtra	1:00 PM	NIL
71 <sup>st</sup>	20.09.2018	Autocars Compound, Adalat Road, Aurangabad, 431005, Maharashtra	2:30 PM	1. One Special Resolution was passed for the appointment of Mr.Gourav Kapoor as Manager of the Company in terms of the provisions of Section 196, 197 and 203 read with Schedule V of Companies Act 2013 2. One Special Resolution passed for the addition of object clause under the provisions of Section 13 and other applicable of the Companies Act 2013

- Postal Ballot**

No voting through Postal Ballot was done during the financial year 2020-21.

**9. Means of Communication**

The Quarterly Results, Shareholding Pattern, Corporate Governance and other corporate communications to BSE Limited is filed through BSE Listing Centre, for dissemination on their website. Moreover, all material information about the Company is also promptly filed through BSE Listing Centre.

- A. Annual Report containing, inter alia, Financial Statements, Directors’ Report, Auditors’ Report and other important information is circulated to members and others entitled thereto.
- B. Annual Report, Quarterly Financial Results, Shareholding Pattern, etc of the Company as on March 31, 2021 are also posted on the website of the Company: [www.connectzone.in](http://www.connectzone.in).
- C. Quarterly / Annually Financial Results are published in daily newspapers, viz. Financial Express (English daily) and Loksatta (vernacular newspaper) and are also uploaded on the Company’s website [www.connectzone.in](http://www.connectzone.in). Any news releases are also displayed on the Company website. The Company does not generally conduct Investor/ Analyst meets/presentations.

**10. General Shareholder Information**

**a. 74<sup>th</sup> Annual General Meeting**

The 74<sup>th</sup> Annual General Meeting of the Company is proposed to be held as per the following schedule:

Day	Wednesday
Date	September 22, 2021
Time	3:00 P.M.
Venue	Autocars Compound , Adalat Road, Aurangabad - 431005 , Maharashtra

**b. Financial Year and Financial Calendar**

Financial Year : April 1 to March 31

**Financial Calendar of the Company (Tentative)**

Results for the First Quarter	On or before August 14, 2021
Results for the Second Quarter	On or before November 14, 2021
Results for the Third Quarter	On or before February 14, 2022
Results for the Fourth Quarter	On or before May 30, 2022
Annual General Meeting for the financial year ending March 31, 2022	On or before September 30, 2022

**c. Dividend payment date:**

The Board has not recommended any dividend for the financial year ended March 31, 2021.

**Dates of Book Closure**

Company’s Register of Members and Share Transfer Books will remain closed from Wednesday, September 15, 2021 to Wednesday, September 22, 2021 (both days inclusive) for the purpose of Annual General Meeting.

**d. Listing of Equity Shares on Stock Exchanges**

Company's shares are listed on **BSE Limited (BSE)**

As at March 31, 2021, the issued, subscribed and paid up equity share capital of the Company consists of 612,260,268 equity shares of Re 1/- each. The Company has paid the requisite Listing Fee up to 31.03.2021.

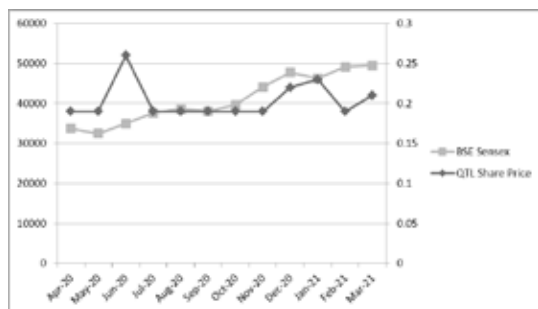
**e. Scrip Code**

BSE : 511116

**f. Stock Price Data**

The reported high and low closing prices of the Company's shares traded during the fiscal 2020-2021 on the Bombay Stock Exchange are given below:

Month	High	Low
Apr 20	0.20	0.19
May 20	0.19	0.19
Jun 20	0.27	0.19
Jul 20	0.26	0.19
Aug 20	0.20	0.19
Sep 20	0.21	0.19
Oct 20	0.19	0.19
Nov 20	0.19	0.19
Dec 20	0.26	0.19
Jan 21	0.33	0.21
Feb 21	0.23	0.19
Mar 21	0.23	0.19

**g. Performance in comparison to BSE Sensex****QTL Share Price and BSE Sensex movement****h. Suspension of Securities**

The securities of the Company were not suspended for trading during the year under review

**i. Registrar & Share Transfer Agents**

M/s. Cameo Corporate Services Ltd.  
Subramanian Building, No.1,  
Club House Road, Anna Salai, Chennai-600 002  
Tel: 91-44-28460390-394  
Fax: 91-44-28460129  
E-mail: investor@cameoindia.com.

**j. Share Transfer System**

Applications for transfer of shares held in physical form are received at the office of the Registrar & Share Transfer Agents of the Company. All valid transfers are processed within 15 days from the date of receipt. The Company has pursuant

to the Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, submitted within stipulated time, certificate of half yearly basis confirming due compliance of share transfer formalities by the Company from practicing Company Secretary .

**k. Distribution of Shareholding as on 31<sup>st</sup> March 2021**

Shareholding of Nominal Value	Shareholders		Shareholding	
	Rs.	Number	Rs.	% of total
1 - 100		5008	27.5346	0.0468
101 - 500		5155	28.3428	0.2496
501 - 1000		2298	12.6347	0.3361
1001 - 2000		1542	8.4781	0.4223
2001 - 3000		705	3.8761	0.3033
3001 - 4000		311	1.7099	0.1864
4001 - 5000		706	3.8816	0.5632
5001 - 10000		1007	5.5366	1.3839
10001 - And Above		1456	8.0052	96.5079
<b>Total :</b>		<b>18188</b>	<b>100.0000</b>	<b>612260268</b>

**Shareholding Pattern as on 31<sup>st</sup> March 2021**

Category Code	Category of shareholders	No. of Shareholders	Total no. of shares	As a percentage of (A+B+C)
<b>A</b>	<b>Shareholding of Promoter and Promoter Group</b>			
1.	Indian Bodies Corporate	2	314,205,749	51.3190
2.	Foreign	0	0	0
	<b>Sub Total (A)</b>	<b>2</b>	<b>314,205,749</b>	<b>51.3190</b>
<b>B</b>	<b>Public Shareholding</b>			
1.	Institutions	9	70,976,421	11.5925
2.	Non-Institutions:			
	-Bodies Corporate	194	81,228,583	13.2670
	- Individuals	17134	134,488,218	21.9659
	-Others	505	11,361,297	1.8556
	<b>Sub - Total (B)</b>	<b>17842</b>	<b>298,054,519</b>	<b>48.6810</b>
	<b>TOTAL (A)+(B)</b>	<b>17844</b>	<b>612,260,268</b>	<b>100.00</b>
<b>C</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	0	0	N.A

**l. Dematerialization of Shares**

As on 31<sup>st</sup> March 2021, 99.82% of the issued Equity Share Capital of the Company is held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**m. Outstanding GDR/ADR or Warrants**

As on date there are no Global Depository Receipts (GDR), American Depository Receipts (ADR) or Warrants pending conversion and likely to impact the equity share capital of the Company

**n. The Company does not undertake any hedging activities.**

**o. Corporate Office**

B-71, Phase VII, Industrial Focal Point,  
Mohali - 160 055 (Punjab)

**Registered Office Address**

Autocars Compound, Adalat Road,  
Aurangabad – 431005, Maharashtra

**p. Address for correspondence**

Mr. Gourav Kapoor  
Company Secretary,

QUADRANT TELEVENTURES LIMITED

B-71, Phase VII, Industrial Focal Point,

Mohali - 160 055 (Punjab)

Tel. No. 0172- 5090000

E-mail Address : [secretarial@infotelconnect.com](mailto:secretarial@infotelconnect.com)

Website Address - [www.connectzone.in](http://www.connectzone.in)

**q. Last available Credit Rating - CARE D**

**11. Other Disclosures**

(a)	Materially significant related party transactions i.e. transactions of the Company with Promoters, Directors, Management, Subsidiaries or Relatives etc. that may have potential conflict with the interests of the Company at large.	There are no transactions which may have potential conflicts with the interest of the company at large. Transactions with the related parties are disclosed in the Notes forming part of the financial statement in the Annual Report.  A Policy on Related party transactions is posted on the Company's website - (URL: <a href="http://www.connectzone.in/corporategovernance.php">http://www.connectzone.in/corporategovernance.php</a> )
(b)	Non compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets during the last three years.	Penalty for late submission of Board Meeting Notice- Paid Rs.11,800/- vide UTR no. ICMS200316000MT on March 16, 2020 towards the penalty for late submission of Board Meeting Notice.
(c)	Vigil Mechanism/ Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee	The Company has implemented Whistle Blower Policy and it is hereby affirmed that no personnel have been denied access to the Audit Committee.  A policy on Vigil Mechanism is posted on the Company's website - (URL: <a href="http://www.connectzone.in/corporategovernance.php">http://www.connectzone.in/corporategovernance.php</a> )

(d)	Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:	The Company has complied with all the mandatory requirements and adopted the following non mandatory requirements like: -  i) The Company has constituted Internal Complaints Committee to redress complaints pertaining to sexual harassment of women at work place.  a) No. of Complaints filed during the Financial year - NIL  b) No. of Complaints disposed off during the Financial year - NIL  c) No. of Complaints pending as on end of the Financial year - NIL  ii) The Company has constituted sub-committee of Stakeholders Relationship Committee under the nomenclature of Share Transfer In-house Committee (STIC)
(e)	The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 read with sub-paras (2) to (10) of part C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	The Company has complied with all the disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 read with sub-paras (2) to (10) of part C of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
(f)	Web link where policy for determining "material" subsidiaries is disclosed	NA
(g)	Disclosure of commodity price risks and commodity hedging activities.	The Company does not undertake any hedging activities.
(h)	Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A)	NA

(i)	Certificate from Practising Company Secretaries	A certificate has been received from M/s B. K. Gupta & Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
(j)	where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:  Provided that the clause shall only apply where recommendation of / submission by the committee is required for the approval of the Board of Directors and shall not apply where prior approval of the relevant committee is required for undertaking any transaction under these Regulations.	N.A.

(k)	Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part	Rs. 24,58,025 /-
(l)	Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:	a. number of complaints filed during the financial year- NIL b. number of complaints disposed of during the financial year- NIL c. number of complaints pending as on end of the financial year- NIL
(m)	Disclosures with respect to demat suspense account/unclaimed suspense account	The Company does not have any shares lying in the demat suspense/unclaimed suspense account.

**DECLARATION**

The Board of Directors laid down a code of conduct for all the Board Members and senior management which is posted on the website of the Company. Board members and senior management have affirmed compliance with the code of conduct.

For QUADRANT TELEVENTURES LIMITED

Sd/-

Gourav Kapoor

Company Secretary & Manager

u/s 2(53) of the Companies Act, 2013

Place: Mohali

Date: August 13, 2021

**CERTIFICATE BY PRACTICING COMPANY SECRETARY**

On Compliance with the conditions of Corporate Governance under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,  
The Members of  
Quadrant Televentures Limited  
Aurangabad, Maharashtra

We have examined the compliance of conditions of Corporate Governance by Quadrant Televentures Limited (the company) for the year ended on 31<sup>st</sup> March 2021 as per the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of the procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information, and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as per the Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BHUPESH GUPTA  
Practicing Company Secretaries

Sd/-

(BHUPESH GUPTA)

M.No.4590

C.P.NO.5708

UDIN:F004590C000437385

Place: Ludhiana

Date: 09/06/2021

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### ECONOMY AND INDUSTRY OVERVIEW

#### Macro Economic Situation

The digitalisation is shifting the way people, businesses and devices interact and interconnect. Businesses are appealing audiences across the value chain, including suppliers, partners, employees, customers and end-consumers. This demands interaction among people, processes and devices, enabling real-time conversations through voice, video and data. Hence, driving a seamless, connected ecosystem of platforms becomes essential for businesses worldwide. India is currently the world's second-largest telecommunications market with a subscriber base of 1.20 billion.

Rapidly moving mobile economy is expected to continue to contribute substantially to India's GDP. The growing subscriber base is driven by the increasing mobile network coverage, low tariffs, growing broadband internet access and smartphone penetration. Video is rapidly becoming the backbone for engaging conversations, engagement and consumption, pushing the limits for enterprises to take on a mobile-first approach.

The Government has placed considerable emphasis on growth of internet and broadband in the country as part its Digital India campaign. Mobile has now emerged as the main platform for internet access in India, bringing connectivity to many previously unconnected populations. Efforts are being made to address the digital divide by extending inclusive internet access to every Indian, as mobile technology looks to empower the masses and become the critical means of accessing a broad range of public services.

Foreign Direct Investment has played an important role in shaping the progress of the telecom sector over the years, and in financing expansion of telecom infrastructure in the country. The total FDI equity inflow into telecommunication services during April 2000 to September 2020 touched Rs.2192.38 billion. The substantial foreign inflows in the telecom sector are indicative of the faith of global community in Government policy, reforms and measures taken towards ease of doing business, as well as in the bright prospects of the telecom sector in the country.

#### Regulatory Developments/Changes

1. **Prime Minister's Wi-Fi Access Network Interface (PM-WANI):** The Union Cabinet on 9th December, 2020 has approved setting up of Public Wi-Fi Networks by Public Data Office Aggregators (PDOAs) to provide public Wi-Fi service through Public Data Offices (PDOs) spread across length and breadth of the country to accelerate proliferation of Broadband Internet services through Public Wi-Fi network in the country. This framework takes forward the goal of National Digital Communications Policy, 2018 (NDCP) of creating a robust digital communications infrastructure across India. Proliferation of Broadband Services through public Wi-Fi is a step towards Digital India and consequential benefit thereon. This will encourage technology entrepreneurs to develop and deploy Wi-Fi technology solutions triggering Make in India. This new eco system will also enable new business models for shopkeepers as potential PDOs to provide high speed broadband services. No License Fee for providing broadband internet services using public Wi-Fi Hotspots will massively encourage its proliferation and penetration across the length and breadth of the country. Availability and use of broadband will enhance incomes, employment, quality of life, ease of doing business etc. Under the PM WANI framework, online registrations of PDOAs and App providers began on 07.01.2021. Within few days, as on 22.01.2021, a total of 17 PDOAs and 9 App Providers have been issued Registration Certificates by DoT.

2. **Right of Way Rules:** An Empowered Task Force has been constituted under the Chairmanship of AS (I) along with members from all concerned Central Ministries/Departments to make recommendations to develop a common Right of Way framework in line with the Indian Telegraph Right of Way Rules, 2016 for the rollout of Digital Communications Infrastructure.
3. **Reducing Financial Stress on TSPs:** While India has one of the lowest data usage charges in the world and data usage per mobile subscriber has also galloped, the Average Revenue Per User (ARPU) has witnessed a fall. The telecom sector has also undergone consolidation. From more than 10 major Telecom Service Providers (TSPs), the sector is now down to 3 major private TSPs in addition to two PSUs, BSNL and MTNL. To give boost to the sector following steps have been taken by the Government.
  - Increase in time period for payment of spectrum acquired in auctions - Permitted to restructure the payment of annual spectrum charges from existing 10 annual instalments to sixteen instalments resulting in reduced annual cash outflow for the TSPs.
4. **Simplifying Regulations/ and Reducing Compliance Burden for Business Process Outsourcing (BPO)/ Business Process Management (BPM)/ Information Technology enabled Services (ITeS):** Under the new guidelines, the registration requirement for OSPs has been done away with altogether and the BPO industry engaged in data related work have been taken out of the ambit of OSP regulations. In addition, requirements such as deposit of bank guarantees, requirement for static IPs, frequent reporting obligations, publication of network diagram, penal provisions etc. have also been removed. Similarly, several other requirements, which prevented companies from adopting 'Work from Home' and 'Work from Anywhere' policies, have also been removed. Additional dispensations to enhance flexibility for the Industry have been allowed.
5. **Development of Online License Management System of DoT:** A web-based portal, "SARAL SANCHAR" (Simplified Application for Registration and Licenses) for issuing of various types of Licenses and Registration Certificates for OSPs (Other Service Providers) has been developed by the Department of Telecommunications. Apart from licensing other applications are also being processed on this portal.
6. **Other Important Initiatives**
  - Supply base Assessment - Preference to Make in India-Public Procurement (PMI-PP).
  - Newsletter- Technology DoTs: The division continued to successfully publish "Technology DoTs", e-Newsletter in April, June, September and December 2020 which provided a glimpse of technology landscape in Digital Communications.
  - Indigenous 5G Test Bed: Test Bed is planned to be realized in stages over four versions. The initial two versions have been completed. The design of next version has started and significant progress has been made by the institutes in system, hardware and algorithm design.
  - DoT has issued instructions modifying the dialing pattern by prefixing '0' from all fixed line numbers to cellular mobile numbers from 15th January, 2021. This will be done by providing '0' dialing facility to all fixed line subscribers. There will be no change in dialing plan from fixed to fixed, mobile to fixed and mobile to mobile

calls. This will free up sufficient numbering resources and more number of connections can be added in future which will be beneficial to the mobile customers at large. These changes have been done in order to have minimum inconvenience to the subscribers and freeing up essential numbering resources.

- Introduction of Aadhaar based e-KYC process as an alternate process for issuing mobile connections to Individual customers including Outstation customers and Bulk connections.
- Temporary Suspension of Telecom Services (Amendment) Rules, 2020: In light of the Hon'ble Supreme Court judgment and in consultation with all stakeholders, Temporary Suspension of Telecom Services (Public Emergency & Public Safety) Rules, 2017 has been amended vide Gazette Notification dated 10.11.2020 and has been issued by DoT vide O.M dated 10.11.2020.

Norms for Network Testing before Launch of Commercial Services: Department of Telecommunications prescribed norms for Network Testing which facilitates time limit of 90 days for testing and a provision for extension till 180 days. Subsequently, norms for extension beyond 90 days have also been prescribed by DoT on 19.10.2020

#### Regulatory developments / changes

**TRAI has issued following Regulation, Direction and Recommendation in the Financial Year 2020-21.**

##### A. Regulation:

- The Telecommunication Interconnection Usage Charges (Sixteenth Amendment) Regulations, 2020 on 17th April 2020.
- Telecommunication Tariff (Sixty Fifth Amendments) Order, 2020 on 3rd June 2020.
- The Telecommunication Interconnection (Second Amendment) Regulations, 2020 on 10th July 2020.
- Telecom Consumers Protection (Eleventh Amendment) Regulations, 2020 on 30th September 2020.

##### B. Direction:

- Direction regarding Implementation of the Telecom Commercial Communications Customer Preference Regulations (TCCCP), 2018 on 19th June 2020.
- Direction to all Broadcasters to ensure compliance of various provision of the Telecommunication (Broadcasting and Cable) Services (Eighth) (Addressable Systems) Tariff (Second Amendment) Order, 2020 and The Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) (Second Amendment) Regulations, 2020 on 24th July 2020.
- Amendment to Direction dated 24.07.2020 issued to all Broadcasters under Section 13, read with section 11, of the Telecom Regulatory Authority of India Act, 1997 on 18th August 2020.
- Direction for minimum threshold of rupees ten to be applicable for generating unique porting code, raising of Non Payment Disconnection requests and reconnection of mobile numbers on 27th August 2020.
- Direction on tariff publications and tariff advertisements on 18th September 2020.
- Amendment & Clarification to Direction on tariff publications on 22nd October 2020
- Direction seeking information related to segmented offers on 4th December 2020.

- Direction on regarding submission of Performance Monitoring Report to the Authority under the Telecom Commercial Communication Customer Preference Regulations, 2018 on 15th February 2021.

##### C. Recommendation:

- TRAI's Response to DoT back reference dated 12th March 2020 on Recommendations on 'Captive VSAT CUG Policy Issues' on 10th April 2020.
- Recommendations on Interoperability of Set-Top Box and Reserve Price for auction of FM Radio Channels on 11th April 2020.
- Recommendations on Network Testing Before Commercial Launch of Services for Wireline Access Services on 22nd April 2020.
- Recommendations on Review of Television Audience Measurement and Rating System in India on 28th April 2020.
- TRAI's response to back reference dated 13.5.2020 received from Ministry of Information and Broadcasting (MIB) on TRAI's Recommendations on "Platform Services offered by DTH Operators" dated 13.11.2019 on 26th May 2020.
- Recommendations on Ensuring Adequate Numbering Resources for Fixed Line and Mobile Services on 29th May 2020.
- TRAI's Response to DoT back reference dated 29th May 2020 on Recommendations on Proliferation of Broadband through Public Wi-Fi Networks on 5th June 2020.
- Recommendations on 'Provision of Cellular Backhaul Connectivity via Satellite through VSAT Under Commercial VSAT CUG Service Authorization' on 28th July 2020.
- Recommendations on Methodology of applying Spectrum Usage Charges (SUC) under the weighted average method of SUC assessment, in cases of Spectrum Sharing on 17th August 2020.
- Recommendations on Regulatory Framework for Over-The-Top (OTT) Communication Services and Recommendations on Cloud Services on 14th September 2020.
- Recommendations on Traffic Management Practices (TMPs) and Multi-Stakeholder Body for Net Neutrality on 22nd September 2020.
- TRAI's Response to DoT back reference dated 26.09.2020 on Recommendations on Review of Terms and Conditions for registration of Other Service Providers (OSPs) on 28th September 2020.
- TRAI's Response to the Clarification sought by DoT on Recommendations on "Enhancement of Scope of Infrastructure Providers Category - I (IP-I) Registration" issued on 13th March 2020 on 11th January 2021.
- Recommendations on MIB back reference on TRAI's Recommendations dated 19.11.2014 on "Regulatory Framework for Platform Services" and MIB reference on TRAI's Recommendations on "Platform Services offered by DTH Operators" dated 13.11.2019 on 2nd February 2021.

#### Business Overview

Quadrant Televentures Limited is a Unified License Services Licensee and an Internet Service Provider in the Punjab Telecom Circle comprising of the State of Punjab, the Union Territory of Chandigarh and the Panchkula town of Haryana. The Company started its operations as a fixed line service provider under the brand name "CONNECT" in the year 2000. Subsequently, the Company was granted the UASL License (Unified Access Services License) in the Punjab Telecom Circle in 2003, which was further migrated

to Unified License in the year 2015. Apart from the UASL License, the Company also holds the ISP (Internet Service Provider) License Category -A (PAN INDIA) and the IP-1 (Infrastructure Provider-Category -1) License for providing services in the Punjab Telecom Circle.

Currently, the Company is providing Broadband Services on FTTH/DSL/WBB/EOC technology, Fixed Voice (Landline) services and Leased Line services in the Punjab Telecom Circle, along with Bulk SMS Services.

As at 31.03.2021, the Company had a total subscriber base of 216,428 customers.

The data consumptions and requirement of speed is increasing manifold which is one of the main reasons service providers and users are looking at fiber-to-the-home broadband connections as a potential solution. It is widely believed that FTTH is the only technology with enough bandwidth to handle projected consumer demands during the next decade reliably. Fiber has a virtually unlimited bandwidth coupled with a long reach, making it "future safe," or a standard medium that will be in place for a long time to come.

Keeping all these things in mind the main focus of the QTL team has been to expand the FTTH footprint across the state of the Punjab. However since FTTH rollout is a CAPEX intensive ventures, thus QTL has roped in multiple partners who are doing investment on behalf of the QTL from node to the customer premises. The ONT i.e CPE is also being provided by the partner.

In last one year 1.08 Lakhs new FTTH home passes/ports have been rolled out, out of which 1.01 Lakhs ports were rolled out through channel partners. Thus as on March 2021, total FTTH home passes stands at 2.48 Lakhs. The FTTH subscriber base has also increased by 54500 from April 1, 2020 to March 31, 2021 i.e. a growth of 76%. The FTTH subscriber base as on March 31, 2021 is 1.26 Lakhs.

## OPPORTUNITIES AND THREATS

### Opportunities

Enterprises are gradually realizing the business value that can be generated through digital transformation and adoption of emerging technologies such as Cloud, Collaboration, Mobility, and Analytics etc. that is generating the demand for enterprise data and managed services.

Enterprises are gradually transferring their applications/ workloads to cloud, investing in strengthening their connectivity and other digital services as they look to simplify their business operations, enhance workforce productivity, achieve business excellence and digitally transform themselves. With increased contribution of WFH (Work from Home), explosion of devices and rapidly increasing data usage, OTT and IT companies are experiencing high requirement for high capacity, high speed networks for their backbone and datacenter connectivity.

The Company is putting all initiatives to maintain the quality of services and retainability of the subscribers of the Company in view of the prevailing preferences of the subscriber and competition in the market.

### Threats

Increasing trends towards cloud-based solutions as businesses are going digital and are moving away from on-premise solutions. Traditional Voice Services would get impacted adversely on account of the shift of focus towards cloud and conferencing solutions and disruption from newer breed of digital technologies.

High level of competition and Deployment of 4G & 5G Technology causes tremendous pressure on new customer acquisitions, retention of existing customers and tariffs.

### Outlook

The Company will continue to offer comprehensive broadband solutions to consumers, small businesses enterprises and other

entities. The Company foresees a very high degree of competition in the years to come. In terms of subscriber base, all existing mobile operators have been facing a decline and single major operator holds sway over the market.

The Company derives a substantial part of its earnings from the Internet Service and wireline (copper based network) services.

## RISK & CONCERNS

While telecom companies coursed through the wreckage of 2020 better than other industries, the path ahead is filled with many uncertainties, including operational, macroeconomic and strategic risks, which could hurt recovery and impede growth over the next 12 months.

Specifically, experts have singled out additional government response to the COVID-19 pandemic, adoption of digital technologies, data privacy and information security, cyber threats, and diminished economic activity as their top five risk concerns this year. The concerns over aggressive government policies and cyber threats are new for the telecom sector. The top identified risks for Telecom Industry are highlighted as under:

### Fallout from a lingering pandemic

Aided by a strong demand for digital services, collaboration tools and other technology infrastructure, telecom companies recorded record strong growth and profits during the pandemic. Still, analysts indicated that their biggest concern has to do with the lingering impact of the pandemic. Mostly, they are concerned about the impact of government policies surrounding public health practices, social distancing, return-to-work, crowd limits, and other pandemic-related regulations and protocols on the performance of their businesses. The survey results show this risk issue is the primary concern among all organisations this year.

In 2020, government restrictions on travel, congregating for social events and opening businesses had devastating impacts on organisations of all types and sizes. Even with the ongoing rollout of COVID-19 vaccines, many organisations still worry governments could introduce aggressive actions to stem the virus and its new variants. Tighter restrictions on the movement of goods and people (such as requiring international air travelers to test negative for COVID-19) and the imposition of workplace safety measures (such as mask mandates) may create operational challenges for some businesses. Regarding possible return-to-work restrictions, Telecom Industry appears to be better positioned to deal with related disruptions than other industry sectors. The industry's tech-savvy workforce was among the first to migrate to a remote set-up and many of its largest companies have fully embraced the new labor model, with some (like Twitter) offering employees the choice of working from home permanently.

Aside from pandemic-driven regulations, additional industry regulation is a big concern, with many leaders worried about further pressure and scrutiny from the new Biden administration. This risk issue ranks tenth on the list of top risk issues for the telecom sector.

### Disruption from digital technologies

Digital technologies to support remote working, contactless payments, online entertainment and other physical distancing needs during the crisis have been a boon for telecom companies. However, the rapid rollout of technology has also created some big challenges for the industry. The shortage of skilled workers to support the digital demand and increased cyber threats are the top risks.

### Worsening cyber threat landscape

Cyber threats are not new to the telecom sector. Its companies are often the target of cyberattacks because of their rich customer profiles, payment information and highly visible brands. However, the level of urgency and concern has clearly escalated during this



COVID era, with the survey showing that the cyber threat issue moved up six notches to fourth position this year on the top risk list. Telecom organisations are rightfully concerned that they may not be sufficiently prepared to manage cyber threats that have the potential to significantly disrupt core operations and/or damage their brand.

**Gloomy economic picture**

Before the COVID-19 outbreak, telecom industry identified economic conditions as their top risk for 2020. In 2019, this concern was not among the top five risk issues. Today, on the heels of a depressed economy and record unemployment, the sector is again beginning a new year with significant uncertainties about the economy. In response to the survey, the industry experts have indicated that economic conditions in markets they currently serve, particularly related to unemployment and government stimulus, may significantly restrict growth opportunities.

**INTERNAL CONTROL SYSTEM AND ITS ADEQUACY**

The Company has deployed a robust system of internal controls that facilitates the accurate and timely compilation of financial statements and management reports, ensures regulatory and statutory compliance and ensure adherence to regulatory and statutory compliances; and safeguards investor interest by ensuring the highest level of governance. The Internal Control framework has been set up across the company and is followed at the circle and country level. This framework is assessed periodically and performance of circles and countries are measured via objective metrics and defined scorecards.

An independent Audit firm Ernst & Young -LLP is entrusted with the internal audit function for this purpose. The Internal Auditors continuously evaluate the Internal Control Systems which are evaluated by the Audit Committee for appropriate actions and corrections, wherever necessary.

The management reviews and evaluates revenue for various products on regular basis and take corrective action wherever necessary.

**SEGMENT WISE AND PRODUCT WISE PERFORMANCE**

The Company operates in a single segment. The Product wise performance has been explained separately in subsequent paras.

**ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The Company has expanded its wire line services to more than 150 cities / towns of Punjab and widened its wireless footprint to cover the whole of Punjab Circle.

The Company’s operating revenue was Rs. 4289.33 million against Rs. 4572.80 million in 2019-20 and also the Company has sustained an operating loss of Rs. 1259.76 million during the financial year 2020-21 against Rs. 1135.21 million for the financial year 2019-20.

Revenue at a glance is as follows:

(Rs. in millions)

Parameter	FY 2020-21	FY 2019-20
Unified Access Services	107.29	63.14
Internet Services	1907.08	2019.59
Interconnect Usage Charges	2274.96	2490.07
Infrastructure Services	-	-
Other Income	47.42	78.34
<b>Total</b>	<b>4336.75</b>	<b>4651.14</b>

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

*Key Financial Indicators*

**Telecom Business**

(Rs. in millions)

Parameter	FY 2020-21	FY 2019-20
Revenue from Telephony Service	4289.33	4572.80

**On Gross Basis**

(Rs. in millions)

Parameter	FY 2020-21	FY 2019-20
Gross Income	4336.75	4651.14
Profit/ (Loss) for the year	(2959.38)	(466.54)

Major Expenses at a glance are as follows:

(Rs. in millions)

Parameter	FY 2020-21	FY 2019-20
Network Operations Expenditure	3182.13	3480.28
Employee Benefit Expenditure	459.79	398.98
Sales & Marketing Expenditure	313.43	212.70
Administration & Other Expenditure	247.36	291.21
Finance Cost	1117.29	1093.51
<b>Total</b>	<b>5320.00</b>	<b>5476.68</b>

**SHARE CAPITAL**

The Authorised Share Capital of the company is Rs.15000 million. Against this, the Paid up Share Capital is Rs.2860.71 million comprising of Rs.612.26 million by way of Equity Shares and Rs.2248.45 million by way of Cumulative Redeemable Preference Shares (CRPS).

**KEY FINANCIAL RATIOS**

There are no significant changes (i.e. changes of 25% or more as compared to the immediately previous financial year) in key financial ratios. Further, there is no change in return on Net worth during the year.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCE**

Continue Employee Engagement through ‘communication’, ‘recognition’ & ‘growth opportunities’. Continued deployment of Reward and Recognition, consistent communication by leadership, on aspects impacting work-life and focus on key HR programs such as Internal Job Postings, Appraisals, Learning & Development. We are committed to remaining among the industry’s leading employers.

The Company had a total 1059 Employee on its rolls as on March 31, 2021. The company has a professionally qualified work force. The key aspects of our HR practice include recruitment, training and development, and compensation.

**CAUTIONARY STATEMENT**

Statements in the Management Discussion and Analysis describing the Company’s objectives, projections, estimates, expectations may constitute a “forward-looking statement” within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include economic conditions affecting demand/ supply and price conditions in the domestic markets in which the Company operates, changes in the Government Regulations, tax laws and other statutes and other incidental factors. Further, the Company retains the flexibility to respond to fast-changing market conditions and business imperatives. The Company may therefore need to change any of the plans and projections that may have been outlined in this report, depending on the actual market conditions.

For and on behalf of the Board of Directors

Place: Mohali  
Date: August 13, 2021

Anushka J. Vagal  
Director  
(DIN: 08966439)

Dinesh A. Kadam  
Director  
(DIN: 08282276)

## INDEPENDENT AUDITOR'S REPORT

To the Members of

### Quadrant Televentures Limited

#### Report on the Audit of the Financial Statements

##### 1. Qualified Opinion

We have audited the accompanying financial statements of **Quadrant Televentures Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effect of the matter described in the Basis for qualified Opinion in paragraph 2 below*, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

##### 2. Basis for Qualified Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are

##### 4. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p><b><u>Revenue Recognition:</u></b></p> <p>Revenue is recognised at the fair value of the consideration received or receivable, which is generally the transaction price, net of any taxes / duties, rebate, discounts and process waivers. (refer note 3.12)</p> <p>Due to Company's presence across different marketing regions within the country and the competitive business environment, the estimation of various types of discounts, rebate, waivers to be recognised based on services made during the year is material and considered to be judgmental.</p> <p>Due to the level of judgement relating to recognition revenue, discount, rebate and waiver, this is considered a key audit matter.</p>	<p><b><u>Our Audit procedure included:</u></b></p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the revenue recognition accounting policies, including those relating to discount, rebate and waivers by comparing with applicable accounting standards.</li> <li>• Testing the design, implementation and operating effectiveness of the Company's general IT controls over the Company's systems and manual controls, which govern recording of revenue and discount, rebates and waiver in the general ledger accounting system.</li> <li>• Performing substantive testing (including year-end cut off testing) by selecting samples of revenue transactions recorded during the year (and before and after the financial year-end) by verifying the underlying documents and approval procedure.</li> <li>• Comparing the historical trend of discount, rebate and waiver.</li> <li>• Assessing the manual journal posted to revenue.</li> <li>• Considered the adequacy of the Company's disclosure in respect of revenue.</li> </ul>

further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("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 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 financial statements.

*As stated in Note No. 40 of the statements, balances of some of the trade payable, other liabilities, advances and security deposits pertaining to erstwhile GSM business are subject to confirmations, reconciliation and adjustments, if any. The effect of the same is unascertainable, and hence the consequential cumulative effect thereof on net loss including other comprehensive income for the year, assets, liabilities and other equity is unascertainable.*

##### 3. Material Uncertainty Related to Going Concern

We draw attention to note no. 42 to the financial statements, wherein the Company has incurred a net loss of Rs. 2,959,375,788 during the year and the accumulated losses as at March 31, 2021 amounted to Rs. 22,317,512,974 resulting in, the erosion of its net worth, these factors raise doubts that the Company will not be able to continue as a going concern. The management is confident of generating cash flows from continue business operations through increasing subscriber' base and ARPU as well as through restructuring of bank loans along with the support of other stakeholders. Hence, in view of the above, the financial statements have been prepared on a going concern basis. Our report is not qualified in respect of this matter.

Sr. No.	Key Audit Matter	Auditor's Response
2.	<p><b><u>Evaluation of Provision and Contingent Liabilities:</u></b></p> <p>As at the Balance Sheet date, the Company has significant open litigation and other contingent liabilities as disclosed in note no. 41. The assessment of the existence of the present legal or constructive obligation, analysis of the probability or possibility of the related payment require the management to make judgement and estimates in relation to the issues of each matter.</p> <p>The management with the help of opinion and advise of its experts have made such judgements and estimates relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability.</p> <p>Due to the inherent complexity and level of judgement relating to recognition, valuation and presentation of provision and contingent liabilities, this is considered a key audit matter.</p>	<p><b><u>Our Audit procedure included:</u></b></p> <ul style="list-style-type: none"> <li>• We have reviewed and held discussions with the management to understand their processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets.</li> <li>• We have also discussed with the management significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied. We have held regular meetings with the management and key legal personnel responsible for handling legal matters.</li> </ul> <p>In addition, we have reviewed:</p> <ul style="list-style-type: none"> <li>• the details of the proceedings before the relevant authorities including communication from the advocates / experts;</li> <li>• legal advises / opinions obtained by the management, if any, from experts in the field of law on the legal cases;</li> <li>• status of each of the material matters as on the date of the balance sheet.</li> <li>• We have assessed the appropriateness of provisioning based on assumptions made by the management and presentation of the significant contingent liabilities in the financial statements.</li> </ul>
3.	<p><b><u>Impact of COVID- 19 on Audit</u></b></p> <p>Due to outbreak of pandemic COVID- 19 and consequent country wide lockdown enforced by Government of India. Due to this we could not carry out normal audit procedures by visiting the QTL office and audit was carried out using "Work from Home" approach.</p> <p>This is considered as Key Audit Matter, since alternate audit procedures were performed for carrying out audit</p>	<p>Due to "work from home" approach adopted, we performed following alternative audit procedures:</p> <ul style="list-style-type: none"> <li>• Remote Access to SAP – financial accounting software.</li> <li>• Various data and confirmation were received either electronically through email or through data sharing on drive.</li> <li>• For various audit procedures, reliance was placed on scanned copies of original document shared with us electronically.</li> <li>• Interview / discussion with client via video conferencing / call conferencing and other verbal communications.</li> </ul>

**5. Information other than the Financial Statements and Auditor's Report Thereon**

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's Annual Report, Management Discussion and Analysis, Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

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

**6. Responsibilities of Management's for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial

performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## 7. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 8. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) we have sought and obtained, *except for the matter described in the Basis for qualified Opinion in paragraph 2 above*, all the information

and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b) *except for the matter described in the Basis for qualified Opinion in paragraph 2 above*, in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanation given to us, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V of the Act;

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 41 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses- Refer Note 41 to the financial statements;
  - iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For SGN & CO.**  
**Firm Registration No. 134565W**  
**Chartered Accountants**

**Mohan Kheria**  
**Partner**  
**Membership No. 543059**  
**UDIN: 21543059AAAAAU4277**

**Place: Darbhanga**  
**Dated: June 10, 2021**

## Annexure - A to the Independent Auditors' Report on the Financial Statements

Annexure referred to in paragraph 8 (1) of the Independent Auditors' Report of even date to the members of **Quadrant Televentures Limited** on the financial statements for the year ended 31<sup>st</sup> March 2021, we report that:

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situations of its Fixed Assets.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the management during the year physically verified certain fixed assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company. In respect of immovable properties of land and building that have been taken on lease and disclosed as Right of use assets in the financial statements, the lease agreements are in the name of the Company.
- II. As per the information furnished, the management at reasonable intervals during the period has physically verified the Inventories. In our opinion, having regard to the nature and location of stocks, the frequency of physical verification is reasonable and the discrepancies noticed on physical verification of stocks were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.
  - III. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships and other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) (a) and (b) of the Order are not applicable.
  - IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
  - V. In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits within the meaning of the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.

VI. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by Central Government for maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.

VII. (a) According to the information and explanations given to us and records examined by us, in our opinion the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Custom Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of such statutory dues at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, no dues are outstanding, which have not been deposited on account of disputes and the forum where the dispute is pending, are as under:

SL. No.	Name of the Statute	Nature of Dues	Period to which the Amount Relates (Financial year)	Amounts	Forum where dispute is Pending
1	Income Tax	Penalty 270(A)	2016-17	2,65,29,859	CIT Appeal

VIII. According to the information and explanations given to us and records examined by us, the Company has defaulted in repayment of dues (including accrued interest on default amounts) to banks / debenture holders as follows:

A. Amount Outstanding as at March 31, 2021 and not paid till date	Amount of Default as at March 31, 2021		Delay/Default (In days)	
	Principal	Interest	Principal	Interest
IDBI Bank	1,197,869,378	675,459,828	30 - 1339 Days	31 - 1186 Days
Kotak Mahindra Bank	71,336,265	38,604,275	31 - 913 Days	30 - 913 Days
Life Insurance Corporation of India	237,739,860	163,006,690	30 - 1461 Days	31 - 1520 Days
State Bank of India	79,250,160	54,004,690	30 - 1461 Days	31 - 1520 Days
Oriental Bank of Commerce	237,750,480	165,014,045	30 - 1461 Days	31 - 1520 Days
<b>Total</b>	<b>1,823,946,143</b>	<b>1,096,089,528</b>		

Further, amount defaulted during the year and paid before the Balance Sheet date are as under:

B. Amount paid before the year end	Amount		Delay/Default (In days)	
	Principal	Interest	Principal	Interest
IDBI Bank	-	80,000,000	-	1031-1211 Days
Kotak Mahindra Bank	-	10,00,000	-	857-906 Days
Life Insurance Corporation of India	-	20,00,000	-	1458-1513 Days
State Bank of India	-	10,00,000	-	1464-1513 Days
Oriental Bank of Commerce	-	-	-	-
<b>Total</b>	-	84,000,000	-	-

- IX. As per information and explanations given to us, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company.
- X. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- XI. In our opinion and according to the information and explanation given to us and the books of accounts verified by us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with the Schedule V to the Act.
- XII. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.

XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act 2013 where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

XIV. According to information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

XV. In our opinion and according to the information and explanation given to us and certified by the management the Company has not entered into any non-cash transaction with directors or persons connected to its directors as referred to in section 192 of Companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

XVI. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For SGN & CO.**  
**Firm Registration No. 134565W**  
**Chartered Accountants**

**Mohan Kheria**  
**Partner**  
**Membership No. 543059**  
**UDIN: 21543059AAAAAU4277**

**Place: Darbhanga**  
**Dated: June 10, 2021**

## Annexure “B” To The Independent Auditor’s Report

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

To the Members of

#### Quadrant Televentures Limited

We have audited the internal financial controls over financial reporting of **Quadrant Televentures Limited** (“the Company”) as of 31<sup>st</sup> March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors’ Responsibility

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

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

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

#### Meaning of Internal Financial Controls over Financial Reporting

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

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting



to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

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

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

**For SGN & CO.**  
**Firm Registration No. 134565W**  
**Chartered Accountants**

**Mohan Kheria**  
**Partner**  
**Membership No. 543059**  
**UDIN: 21543059AAAAAU4277**

**Place: Darbhanga**  
**Dated: June 10, 2021**

## BALANCE SHEET AS AT MARCH 31, 2021

(All amount are in Rupees)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property Plant & Equipment	4	1,048,176,647	1,222,330,222
(b) Capital Work in Progress	4	-	1,366,750
(c) Right of Use Assets	5	190,392,854	248,717,137
(d) Intangible Assets	6	17,556,673	26,349,451
(e) Financial assets			
(i) Deposits	7	76,904	289,559
(f) Other Non-Current Assets	8	1,481,092	1,852,735
<b>Total Non-Current Assets</b>		<b>1,257,684,170</b>	<b>1,500,905,854</b>
<b>Current Assets</b>			
(a) Inventories	9	126,806,143	129,245,100
(b) Financial Assets			
(i) Trade Receivables	10	419,543,913	586,006,912
(ii) Cash and Cash Equivalents	11	16,252,594	17,029,692
(iii) Bank Balance other than (ii) above	12	131,860,551	153,725,778
(iv) Others	13	103,434,067	101,618,310
(c) Current Tax Assets (net)	14	38,670,399	38,426,353
(d) Other Current Assets	15	150,435,735	178,820,583
(e) Assets held for Sale	16	36,162,413	36,162,413
<b>Total Current Assets</b>		<b>1,023,165,815</b>	<b>1,241,035,141</b>
<b>Total Assets</b>		<b>2,280,849,985</b>	<b>2,741,940,995</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	17	612,260,268	612,260,268
(b) Other Equity	18	(22,248,946,466)	(19,289,570,679)
<b>Total Equity</b>		<b>(21,636,686,198)</b>	<b>(18,677,310,411)</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	12,093,576,038	11,383,585,212
(ii) Lease Liabilities	5	148,510,096	201,253,975
(iii) Others	20	3,786,472,947	2,251,244,619
(b) Provisions	21	43,138,250	44,142,585
(c) Other Non-Current Liabilities	22	29,680,190	49,707,532
<b>Total Non-Current Liabilities</b>		<b>16,101,377,521</b>	<b>13,929,933,923</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	96,403,746	173,655,942
(ii) Trade Payables	24		
(A) total outstanding dues of micro enterprises and small enterprises ; and		3,059,124	4,293,450
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.		434,576,310	459,458,337
(iii) Lease Liabilities	5	51,912,328	53,658,314
(iv) Others	25	7,187,234,019	6,701,418,982
(b) Other Current Liabilities	26	38,388,877	92,726,020
(c) Provisions	27	4,584,258	4,106,437
<b>Total Current Liabilities</b>		<b>7,816,158,662</b>	<b>7,489,317,483</b>
<b>Total Liabilities</b>		<b>23,917,536,183</b>	<b>21,419,251,406</b>
<b>Total Equity and Liabilities</b>		<b>2,280,849,985</b>	<b>2,741,940,995</b>
<b>Summary of significant accounting policies and Other Notes to Financial Statements</b> 1-59			

The accompanying notes form an integral part of these financial statements

As per our report of even date

For SGN &amp; CO.

Chartered Accountants

Firm Registration No. 134565W

Mohan Kheria

Partner

Membership No. 543059

Place : Darbhanga

Date : 10th June, 2021

For and on behalf of the Board of Directors

Dinesh Ashokrao Kadam

Director

(DIN : 08282276)

Place : Aurangabad

Gourav Kapoor

Company Secretary &amp; Manager

Membership No : A32817

Place : Mohali

Pritesh Lahoti

Director

(DIN : 08618393)

Place : Aurangabad

Munish Bansal

Chief Financial Officer

Place : Mohali

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2021

(All amount are in Rupees)

Sr. No.	Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
	<b>INCOME</b>			
I	Revenue from Operations	28	4,289,332,844	4,572,800,803
II	Other Income	29	47,423,015	78,337,868
III	<b>Total Income (I+II)</b>		<b>4,336,755,859</b>	<b>4,651,138,671</b>
	<b>EXPENSE</b>			
IV	Network Operating Expenses	30	3,182,125,787	3,480,275,822
	Employee Benefits Expenses	31	459,785,982	398,984,213
	Sales and Marketing Expenses	32	313,429,793	212,697,505
	Finance Costs	33	1,117,288,047	1,093,507,779
	Depreciation and Amortization	4,5&6	276,530,077	309,667,677
	Other Expenses	34	247,355,811	291,213,774
	<b>Total Expenses (IV)</b>		<b>5,596,515,497</b>	<b>5,786,346,770</b>
V	<b>Profit / (Loss) before exceptional items and tax (III-IV)</b>		<b>(1,259,759,638)</b>	<b>(1,135,208,099)</b>
VI	<b>Exceptional Items</b>	35	1,701,771,994	(669,970,605)
VII	<b>Profit / (loss) before income tax (V-VI)</b>		<b>(2,961,531,632)</b>	<b>(465,237,494)</b>
VIII	<b>Income tax expense</b>			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	<b>Profit / (Loss) for the year (VII-VIII)</b>		<b>(2,961,531,632)</b>	<b>(465,237,494)</b>
X	<b>Other Comprehensive Income ('OCI')</b>			
	(A) Items that will not be reclassified to profit or loss			
	Re-measurement Gain/ (Losses) on defined benefits plans		2,155,844	(1,300,918)
	Tax on above Item		-	-
	(B) Items that will be reclassified to profit or loss		-	-
	<b>Other Comprehensive Income ('OCI') (After Tax)</b>		<b>2,155,844</b>	<b>(1,300,918)</b>
XI	<b>Total Comprehensive Income for the year (IX+X)</b>		<b>(2,959,375,788)</b>	<b>(466,538,412)</b>
	<b>Earnings per equity share</b>			
	Basic	36	(4.84)	(0.76)
	Diluted		(4.84)	(0.76)
	Summary of significant accounting policies and Other Notes to Financial Statements	1-59		

The accompanying notes form an integral part of these financial statements

As per our report of even date

For SGN & CO.  
Chartered Accountants  
Firm Registration No. 134565W

For and on behalf of the Board of Directors

Mohan Kheria  
Partner  
Membership No. 543059  
Place : Darbhanga

Dinesh Ashokrao Kadam  
Director  
(DIN : 08282276)  
Place : Aurangabad

Pritesh Lahoti  
Director  
(DIN : 08618393)  
Place : Aurangabad

Date : 10th June, 2021

Gourav Kapoor  
Company Secretary & Manager  
Membership No : A32817  
Place : Mohali

Munish Bansal  
Chief Financial Officer  
Place : Mohali

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

(All amount are in Rupees)

Particulars	For the year ended 31st March 2021	For the year ended 31-Mar'2020
<b>Cash Flows from operating activities</b>		
(Loss)/Profit before Tax	(1,259,759,638)	(1,135,208,099)
<b>Adjustments for:</b>		
Depreciation and amortisation	276,530,077	309,667,677
Finance Costs	1,117,288,047	1,093,507,779
Interest Income	(8,353,239)	(9,398,229)
Exceptional Items	(1,701,771,994)	669,970,605
Loss/(Gain) on sale of Discard of Asset	(328,260)	2,682,873
Bad Debts & Provision for Doubtful Debts	5,668,959	5,056,926
Provision for Doubtful debts	3,222,528	-
Gain on Lease Rental Waivers - IND-AS 116	(4,457,260)	-
Lease Termination adjustment - IND-AS 116	(690,400)	-
<b>Operating cash flow before changes in working capital</b>	<b>(1,572,651,180)</b>	<b>936,279,531</b>
<b>Changes in working capital</b>		
Increase in Trade receivables	157,571,512	(221,222,481)
(Decrease)/Increase in Trade payables	(26,116,353)	(156,289,642)
Decrease in Inventories	2,438,957	31,267,794
Increase/(Decrease) in Provisions	1,629,330	13,610,123
(Decrease) in Other Financial and Non-Financial Liabilities	1,659,426,492	(622,647,963)
Decrease/(Increase) in Other Financial and Non-Financial Assets	28,886,110	110,662,350
<b>Net cash generated from operations before tax</b>	<b>251,184,869</b>	<b>91,659,713</b>
Income tax Paid (Net of Refunds)	(244,046)	21,145,102
<b>Net cash generated from operating activities (a)</b>	<b>250,940,822</b>	<b>112,804,815</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment & CWIP	(33,581,378)	(1,661,310)
Proceeds from sale of property, plant and equipment	496,068	2,091,111
Purchase of Fixed Deposits (having original maturity of more than 3 months)	(11,696,558)	(146,486)
Interest received	6,407,862	2,691,837
<b>Net cash used in investing activities (b)</b>	<b>(38,374,006)</b>	<b>2,975,152</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	-
Proceeds/ (Repayment) of borrowings	-	(20,000,000)
Proceeds/ (Repayment) of Working Capital	(43,477,756)	11,139,707
Payment of Lease Liabilities - Interest portion	(20,416,279)	(24,162,487)
Payment of Lease Liabilities - Principal portion	(49,821,320)	(47,118,792)
Interest paid on Working Capital	(15,628,559)	(24,842,867)
Interest paid on Term Loan	(84,000,000)	-
<b>Net cash generated from financing activities (c)</b>	<b>(213,343,914)</b>	<b>(104,984,439)</b>
<b>Net increase/ (decrease) in cash and cash equivalents during the year (a+b+c)</b>	<b>(777,098)</b>	<b>10,795,528</b>
Add: Cash and cash equivalents as at the beginning of the year	17,029,692	6,234,164
<b>Cash and cash equivalents as at the end of the year (refer Note 11)</b>	<b>16,252,594</b>	<b>17,029,692</b>

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash on Hand	-	32,361
Cheques in Hand	716,518	1,910,014
Balances with Banks	15,536,076	15,087,317
- In Fixed Deposits 0-3 months	-	-
<b>Cash &amp; Cash Equivalent</b>	<b>16,252,594</b>	<b>17,029,692</b>
Summary of Significant accounting policies and other notes to Financial Statements	1-59	

The accompanying notes form an integral part of these financial statements

As per our report of even date

For SGN & CO.

Chartered Accountants

Firm Registration No. 134565W

Mohan Kheria

Partner

Membership No. 543059

Place : Darbhanga

Date : 10th June, 2021

For and on behalf of the Board of Directors

Dinesh Ashokrao Kadam

Director

(DIN : 08282276)

Place : Aurangabad

Gourav Kapoor

Company Secretary & Manager

Membership No : A32817

Place : Mohali

Pritesh Lahoti

Director

(DIN : 08618393)

Place : Aurangabad

Munish Bansal

Chief Financial Officer

Place : Mohali

STATEMENT OF CHANGES IN EQUITY

(A) Equity Share Capital

Particulars	No. of Shares	Amount
As at April 1, 2019	612,260,268	612,260,268
Changes in equity share capital	-	-
As at March 31, 2020	612,260,268	612,260,268
Changes in equity share capital	-	-
As at March 31, 2021	612,260,268	612,260,268

(B) Other Equity

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Securities Premium	Statutory Reserve	Capital Reserve	Retained Earnings	Remeasurement of defined benefit plans	
As at April 01, 2019	22,633,732	11,900,000	34,032,776	(18,883,416,881)	(8,181,894)	(18,823,032,267)
Profit/(Loss) for the year	-	-	-	(465,237,494)	-	(465,237,494)
Other Comprehensive Income/(Loss) for the year	-	-	-	-	(1,300,918)	(1,300,918)
Total Comprehensive Loss for the year	-	-	-	(465,237,494)	(1,300,918)	(466,538,412)
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
As at March 31, 2020	22,633,732	11,900,000	34,032,776	(19,348,654,374)	(9,482,812)	(19,289,570,678)
Profit/(Loss) for the year	-	-	-	(2,961,531,632)	-	(2,961,531,632)
Other Comprehensive Income/(Loss) for the year	-	-	-	2,155,844	-	2,155,844
Total Comprehensive Loss for the year	-	-	-	(2,959,375,788)	-	(2,959,375,788)
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	(9,482,812)	9,482,812	-
As at March 31, 2021	22,633,732	11,900,000	34,032,776	(22,317,512,974)	-	(22,248,946,466)
Summary of significant accounting policies and Other Notes to Financial Statements					1-59	

The accompanying notes form an integral part of these financial statements

As per our report of even date

For SGN & CO.  
Chartered Accountants  
Firm Registration No. 134565W

Mohan Kheria  
Partner  
Membership No. 543059  
Place : Darbhanga

Date : 10th June, 2021

For and on behalf of the Board of Directors

Dinesh Ashokrao Kadam  
Director  
(DIN : 08282276)  
Place : Aurangabad  
  
Gourav Kapoor  
Company Secretary & Manager  
Membership No : A32817  
Place : Mohali

Pritesh Lahoti  
Director  
(DIN : 08618393)  
Place : Aurangabad  
  
Munish Bansal  
Chief Financial Officer  
Place : Mohali

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 1. BACKGROUND

## (a) Corporate Information

Quadrant Televentures Limited (Formerly known as HFCL Infotel Limited) ('the Company' or 'QTL'), Unified Access Services Licensee for Punjab Telecom Circle (including Chandigarh and Panchkula), is providing complete telecommunication services, which includes voice telephony, internet services, broadband data services and a wide range of value added services viz. Centrex, Leased Lines, VPNs, Voicemail, etc. The services were commercially launched in October 2000. As at 31.03.2021, the Company had a total subscriber base of 216,428.

The Company was incorporated on August 2, 1946 with the name of The Investment Trust of India Limited (ITI) which was subsequently changed to HFCL Infotel Limited on May 12, 2003. This was done pursuant to a Scheme of amalgamation (the Scheme), approved by the Hon'ble High Court of the Punjab and Haryana at Chandigarh and Hon'ble High Court of the State of Tamil Nadu at Chennai on March 6, 2003 and March 20, 2003, respectively, whereby the *erstwhile* HFCL Infotel Limited (name earlier allotted to the transferor Company) ('*erstwhile* HFCL Infotel') was merged with the Company with effect from September 1, 2002. As per the Scheme envisaged, the Company's existing business of hire purchase, leasing and securities trading was transferred by way of slump sales to its wholly owned subsidiary, Rajam Finance & Investments Company (India) Limited ('Rajam Finance') with effect from September 1, 2002. Rajam Finance was renamed as The Investment Trust of India Limited with effect from June 17, 2003 and it ceased to be the subsidiary of the Company with effect from September 30, 2003, due to allotment of fresh equity by Rajam Finance to other investors.

The Company, during the year ended March 31, 2004, surrendered its license granted by Reserve Bank of India ('RBI') to carry out NBFC business. RBI confirmed the cancellation of the NBFC license as per their letter dated May 24, 2004.

On September 24, 2010, the name of Company was changed from HFCL Infotel Limited to Quadrant Televentures Limited.

The Company had surrender the CDMA Spectrum on May 30, 2016 and Microwave Spectrum for CDMA Services for Punjab Service Area and had shut down its GSM Services w.e.f. February 15/2017. At present, the Company is running its Wireline and ISP Services in Punjab Circle (including Chandigarh and Panchkula).

The Company's voice calling services (Wireline) was covered under UASL License and the same was valid

upto 29th September, 2017. To continue Voice Calling Services (Wireline) for Punjab Circle, the Company had filed an application with DoT for migration of existing UASL Licence under UL guidelines. Application has been approved by DoT in September, 2017 and same is now valid till the period of existing ISP licence i.e. January 2035.

## (b) License Fees

The Company has obtained license for Basic Telephony Service for the Punjab Telecom Circle (including Chandigarh and Panchkula) by way of amalgamation of the *erstwhile* HFCL Infotel with the Company. *Erstwhile* HFCL Infotel had obtained this license under fixed license fee regime under National Telecom Policy ('NTP') 1994, valid for a period of 20 years from the effective date, and subsequently migrated from the fixed license fee regime to revenue sharing regime upon implementation of NTP 1999. Further to the Telecom Regulatory Authority of India ('TRAI') recommendations of October 27, 2003 and the Department of Telecommunications ('DoT') guidelines on Unified Access (Basic & Cellular) Services License ('UASL') dated November 11, 2003, the Company migrated its license to the UASL regime with effect from November 14, 2003.

A fresh License Agreement was signed on May 31, 2004. Pursuant to this migration, the Company became additionally entitled to provide full mobility services. Quadrant Televentures Limited also entered into Unified Licence Agreement No. 821-125/2014-DS dated January 6, 2015, and amendments thereto, with DoT to establish, maintain and operate internet services on all India basis (PAN India).

As per the new ISP License agreement no. 821-125/2014-DS dated January 6, 2015, the revenue share from ISP services was set at 8 per cent of AGR and is required to be paid on income from Internet revenue except revenue from pure internet service ('AGR' under Internet Service License).

## 2. RECENT PRONOUNCEMENTS

- A. On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The Company is evaluating the effect of the amendments on its financial statements.
- B. Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Basis of preparation of Financial Statements**

**3.1.1. Compliance with Ind AS**

These 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 Company, to all the periods presented in the said financial statements. The preparation of the said 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 Company's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 37.

The 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 financial statements, where applicable or required. All the amounts included in the financial statements are reported in Indian Rupees ('Rupees') and are rounded to the nearest rupee, except per share data and unless stated otherwise.

**3.1.2. Historical Cost Convention**

The 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:

- certain financial assets and liabilities and contingent consideration that is measured at fair value;
- assets held for sale measured at fair value less cost to sell;
- defined benefit plans for 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.

**3.1.3. Use of estimates and judgements**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company 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 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.

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

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

- a) Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- 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, or
- b) It is held primarily for the purpose of trading, or
- 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.

### 3.3. Fair Value Measurement

The Company 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 Company 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 Company 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 Company'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.

### 3.4. 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 written down value 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.

### 3.5. Property Plant and Equipment

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 Company 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 useful life of property, plant and equipment are as follows:

Asset Class	Useful Life
Leasehold Land	Over the lease term
Buildings	30 years
- Office Building	60 years
- Others	
Leasehold Improvement	10 years or over the lease term, whichever is lower
Network Equipment (other than batteries)	9.67 years
Batteries (a)	5 years



Asset Class	Useful Life
Testing Equipment (included in Network Equipment) (a)	5 years
Optical Fibre Cable and Copper Cable (a)	15 years
Computers	3 years
Software	5 years
Office Equipment	5 years
Furniture and Fixture	10 years, except in case issued to employees, where asset is depreciated in 5 years
Vehicles - Motor Cars (a)	4 years
Fixed Assets costing less than Rs 5,000	Fully depreciated when they are ready for use.

**Note:**

- a. For these classes of assets based on internal assessment and technical evaluation, the management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of Companies Act 2013.
- b. Depreciation on the amount capitalized on up-gradation of the existing assets is provided over the balance life of the original asset.
- c. 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.

**3.6. Intangible Assets**

All expenditure on intangible items are expensed as incurred unless it qualifies as intangible assets. The carrying value of intangible assets is assessed for recoverability by reference to the estimated future discounted net cash flows that are expected to be generated by the asset. Where this assessment indicates a deficit, the assets are written down to the market value or fair value as computed above.

**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. Telecom License & Internet Service Provider License**

Acquired licenses and spectrum are amortised commencing from the date when the related network is available for intended use in the relevant jurisdiction.

The revenue-share based fee on licenses / spectrum is charged to the statement of profit and loss in the period such cost is incurred.

➤ **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.

**3.7. 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 Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial instruments at initial recognition.

**3.7.1. 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 Company commits to purchase or sell the asset.

**Subsequent Measurement**

The subsequent measurement of the non-derivative financial assets depends on their classification as follows:

**i. Financial Assets Measured at Amortised Cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate ('EIR') method (if the impact of discounting / any transaction costs is significant). Interest income from these financial assets is included in finance income.

**ii. Financial Assets at Fair Value through Profit or Loss ('FVTPL')**

All financial assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. Interest (basis EIR method) income from financial assets at fair value through profit or loss is recognised in the statement of profit and loss within finance income/ finance costs separately from the other gains/ losses arising from changes in the fair value.

***Equity Investments***

All equity investments are measured at fair value and for equity instruments, the Company may make an irrevocable election to present in Other Comprehensive Income (OCI) with subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company 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 Profit & Loss account, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

***De-Recognition***

A financial asset is de-recognized only when

- The Company 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 Company 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 Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Company has not retained control of the financial asset. Where the Company 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 Company 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 Company 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).

**3.7.2 Financial Liabilities**

Financial liabilities and equity instruments issued by the Company 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 Company 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***

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss is 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 Company 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.

**De-Recognition**

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

**3.8. Inventory**

Inventory is valued at cost or net realisable value whichever is low. Cost is calculated on FIFO basis.

**3.9. 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.

**3.10. Impairment of Non-Financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an 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.

**3.11. License Fees**

*License Entry Fee*

The License Entry Fee has been recognised as an intangible asset and is amortised equally over the remaining period of licence from the date of commencement of commercial operations. License entry fees includes interest on funding of license entry fees, foreign exchange fluctuations on the loan taken upto the date of commencement of commercial operations.

The carrying value of license entry fees are assessed for recoverability by reference to the estimated future discounted net cash flows that are expected to be generated by the asset. Where this assessment indicates a deficit, the assets are written down to the market value or fair value as computed above.

*Revenue Sharing Fee*

Revenue Sharing Fee is currently computed at the prescribed rate of Adjusted Gross Revenue ('AGR') which is expensed off in the Statement of Profit and Loss in the year in which the related income from providing Unified Access Services and Internet Services are recognised.

**3.12. Revenue Recognition**

The company 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 Company 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 Company 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. **Service Revenue**

Service Revenue mainly pertains to usage subscription and activation charges for voice, data, messaging and value added services. It also includes revenue towards interconnection charges for usage of the Company's network by other operators for voice, data, messaging and signalling services.

Revenue from Unified Access services are recognised on services rendered and is net of rebates, discounts and Goods & Services Tax. Unbilled revenues resulting from Unified Access Services provided from the billing cycle date to the end of each month are estimated and recorded. Revenues from Unified Access Services rendered through prepaid cards are recognised based on actual usage by the customers. Billings made but not expected to be collected, if any, are estimated by the management and not recognised as revenues.

Revenue on account of internet services and revenue from infrastructure services are recognised as services are rendered, in accordance with the terms of the related contracts.

The billing and collection in excess of revenue recognised is presented as deferred revenue in the balance sheet whereas unbilled revenue is recognised within other current financial assets.

b. **Equipment Sales**

Equipment sales mainly pertain to sale of telecommunication equipment and related accessories. Such transactions are recognised when the significant risks and rewards of ownership are transferred to the customer. However, in case of equipment sale forming part of multiple-element revenue arrangements which is not separately identifiable component, revenue is recognised over the customer relationship period.

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**

All debt instruments are measured either at amortized cost or at fair value through Other Comprehensive Income and interest income is recorded using the effective interest rate (EIR).

e. **Rental Income**

Rental income arising from operating leases or investment properties is account 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.

3.13. **Foreign Currency Transactions**

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

Transactions in currencies other than the 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.

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 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. The effect on account of adoption of this amendment was insignificant.

3.14. **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 Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (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 Company are covered under the employees' state insurance schemes, which are also defined contribution schemes recognized and administered by the Government of India.

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

ii. **Defined Benefit Plans**

**Gratuity**

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the

Gratuity Plan based on actuarial valuations in accordance with Indian Accounting Standard 19 (revised), "Employee Benefits". The Company makes annual contributions to the LIC for the Gratuity Plan in respect of employees. The present value of obligation under gratuity is determined based on actuarial valuation using Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Defined retirement benefit plans comprising of gratuity, un-availed leave, post-retirement medical benefits and other terminal benefits, 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.

**Leave Encashment**

The 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.

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 Financial Statements represents the actual deficit or surplus in the Company's 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.

### 3.15. 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 Company 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.

### 3.16. Leases

#### As a lessee

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

- i. the contract involves the use of an identified asset
- ii. the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- iii. the Company has the right to direct the use of the asset.

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

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

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. 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 Company changes its assessment if whether it will exercise an extension or a termination option.

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

**As a lessor**

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

When the Company 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 Company 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.

**3.17. Earning Per Share ('EPS')**

The Company 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.

**3.18. 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. Board of Directors. 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 financial statements. The primary reporting of the Company has been performed on the basis of business segments. The analysis of geographical segments is based on the areas in which the Company'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.

**3.19. Cash & Cash Equivalents**

Cash comprises cash in 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.

**3.20. Prior Period Items**

The Company has adopted following materiality threshold limits in the recognition of Prior period expenses/incomes:

No.	Threshold Items	Threshold Value
1.	Identification based on individual limits	Rs. 10 lakhs
2.	Restatement based on overall limits	1% of Total Revenue of Previous FY

**3.21. Provision, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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.

ARO are recognised for those operating lease arrangements where the Company has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset. The estimated future costs of decommissioning are reviewed annually and any changes in the estimated future costs or in the discount rate applied are adjusted from the cost of the asset.

Contingent liabilities are disclosed in the 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 Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

**3.22. Exceptional Items**

Exceptional items refers 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 Company.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**  
**4 Property, Plant and Equipment ('PPE')**

Costs	Land - Freehold	Land - Leasehold	Building	Leasehold Improvements	Network Equipment	Optical Fibre Cable and Copper Cable	Telephone Instruments at Customers Premises	Computers	Office Equipment	Furniture & Fixture	Vehicles	Total	Capital Work in Progress
As at Apr 01, 2019	16,142,623	8,896,419	190,919,098	86,111,188	3,751,223,192	5,081,767,177	559,852,849	319,769,965	49,085,573	51,654,900	5,207,893	10,120,630,477	247,655
Additions	-	-	-	-	-	-	-	26,040	512,060	4,115	-	542,215	-
Less: Disposals / Adjustments	-	-	-	9,238	8,326,352	133,873	-	119,210	2,242,561	345,813	-	11,177,047	-
Less: Reclassified on account of adoption of Ind AS 116 "Leases"	-	8,896,419	-	-	-	-	-	-	-	-	-	8,896,419	-
As at Mar 31, 2020	16,142,623	-	190,919,098	86,101,950	3,742,896,840	5,081,633,304	559,852,849	319,676,395	47,355,072	51,313,202	5,207,893	10,101,099,226	1,366,750
Additions	-	-	-	-	34,833,888	-	-	60,000	54,240	-	-	34,948,128	-
Less: Disposals / Adjustments	-	-	-	-	510,348	-	6,540,691	-	-	-	-	7,051,039	-
As at Mar 31, 2021	16,142,623	-	190,919,098	86,101,950	3,777,220,380	5,081,633,304	553,312,158	319,736,395	47,409,312	51,313,202	5,207,893	10,128,996,315	-
Accumulated depreciation and impairment	Land - Freehold	Land - Leasehold	Building	Leasehold Improvements	Network Equipment	Optical Fibre Cable and Copper Cable	Telephone Instruments at Customers Premises	Computers	Office Equipment	Furniture & Fixture	Vehicles	Total	Capital Work in Progress
As at Apr 01, 2019	-	1,846,270	65,677,032	80,918,618	2,811,491,316	4,714,967,191	559,852,849	318,965,518	48,853,936	46,278,449	5,207,893	8,654,059,072	-
Depreciation for the year	-	92,160	3,763,092	1,161,453	184,957,780	45,151,655	-	507,770	197,407	1,258,155	-	237,069,472	-
Disposals / Adjustments	-	-	-	9,238	7,631,249	73,038	-	119,210	2,242,561	345,813	-	10,421,109	-
Less: Reclassified on account of adoption of Ind AS 116 "Leases"	-	1,938,430	-	-	-	-	-	-	-	-	-	1,938,431	-
As at Mar 31, 2020	-	-	69,440,124	82,070,833	2,988,797,846	4,760,045,808	559,852,849	319,354,078	46,808,782	47,190,791	5,207,893	8,878,769,004	-
Depreciation for the year	-	-	3,763,119	962,306	169,440,376	33,218,303	-	283,618	164,647	1,101,526	-	208,933,895	-
Disposals / Adjustments	-	-	-	-	342,540	-	6,540,691	-	-	-	-	6,883,231	-
As at Mar 31, 2021	-	-	73,203,243	83,033,139	3,157,895,682	4,793,264,112	553,312,158	319,637,697	46,973,429	48,292,317	5,207,893	9,080,319,668	-
Net Book Value	Land - Freehold	Land - Leasehold	Building	Leasehold Improvements	Network Equipment	Optical Fibre Cable and Copper Cable	Telephone Instruments at Customers Premises	Computers	Office Equipment	Furniture & Fixture	Vehicles	Total	Capital Work in Progress
As at April 01, 2019	16,142,623	7,050,149	125,242,066	5,192,570	939,731,876	366,799,986	-	804,047	231,637	5,376,451	-	1,466,571,405	247,655
As at Mar 31, 2020	16,142,623	-	121,478,974	4,031,117	754,098,994	321,587,496	-	322,317	546,290	4,122,411	-	1,222,330,222	1,366,750
As at Mar 31, 2021	16,142,623	-	117,715,855	3,068,811	619,324,698	288,369,192	-	98,698	435,883	3,020,885	-	1,048,176,647	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- 5 The Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended March 31, 2021

Particulars	Leasehold Land	Building	Security Deposits	Total
<b>As at March 31, 2019</b>	-	-	-	-
<b>Additions</b>				
Transition impact on account of adoption of Ind AS 116 "Leases"	-	302,031,082		302,031,082
Reclassified on account of adoption of Ind AS 116 "Leases"	7,050,147	-		7,050,147
Reclassified from Security Deposits	-	-	1,599,734	1,599,734
<b>Deletion</b>				
Depreciation	92,160	61,633,806	237,860	61,963,826
<b>As at March 31, 2020</b>	<b>6,957,986</b>	<b>240,397,276</b>	<b>1,361,874</b>	<b>248,717,137</b>
<b>Additions</b>				
Reclassified on account of adoption of Ind AS 116 "Leases"				-
Addition during the year	-	6,184,877	-	6,184,877
Reclassified from Security Deposits	-	-	-	-
<b>Deletion</b>				
Lease Termination	-	5,705,756	-	5,705,756
Depreciation	92,160	58,473,383	237,860	58,803,403
<b>As at March 31, 2021</b>	<b>6,865,826</b>	<b>182,403,014</b>	<b>1,124,014</b>	<b>190,392,854</b>

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

The following is the break-up of current and non-current lease liabilities as at March 31, 2021

Particulars	As at March 31, 2021	As at March 31, 2020
Current Lease Liabilities	51,912,328	53,658,314
Non-current Lease Liabilities	148,510,096	201,253,975
<b>Total</b>	<b>200,422,424</b>	<b>254,912,289</b>

The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended March 31, 2021

Particulars	Total
<b>As at March 31, 2019</b>	-
<b>Additions</b>	
Transition impact on account of adoption of Ind AS 116 "Leases"	302,031,082
Finance cost accrued during the period	24,162,487
Deletions	-
Payment of lease liabilities	71,281,279
Gain on Lease Rental Waivers	-
<b>As at March 31, 2020</b>	<b>254,912,290</b>
<b>Additions</b>	
Addition in the Liability during the year	6,184,877
Finance cost accrued during the period	20,416,279
<b>Deletions</b>	
Lease Termination	6,396,156
Payment of lease liabilities	70,237,599
Gain on Lease Rental Waivers	4,457,260
<b>As at March 31, 2021</b>	<b>200,422,430</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**Note:**

- (a) The Company incurred Rs. 11,764,584/- for the year ended 31st March, 2021 (31st March, 2020: Rs. 14,969,911/-) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is Rs. 82,002,183/- for the year ended 31st March, 2021 (31st March, 2020: Rs. 86,251,189/-), including cash outflow of short-term leases and leases of low-value assets. Interest on lease liabilities for the year ended 31st March, 2021 is Rs. 20,416,279/- (31st March, 2020: Rs. 24,162,487/-).
- (b) Lease contracts entered by the Company majorly pertains for buildings taken on lease to conduct its business in the ordinary course and also taken nodes on lease for customer service.
- (c) During the current year, the Company has received the Covid-19-related rent concessions for lessees amounting to Rs. 4,457,260/- 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 8%
- (e) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**6 Intangible Assets**

Costs	Computer Software	License Fee (including Spectrum)	Total
<b>As at Apr 01, 2019</b>	<b>319,673,142</b>	<b>3,883,158,603</b>	<b>4,202,831,745</b>
Additions	-	-	-
Disposals / Adjustments	-	-	-
<b>As at Mar 31, 2020</b>	<b>319,673,142</b>	<b>3,883,158,603</b>	<b>4,202,831,745</b>
Additions	-	-	-
Disposals / Adjustments	-	-	-
<b>As at Mar 31, 2021</b>	<b>319,673,142</b>	<b>3,883,158,603</b>	<b>4,202,831,745</b>
Accumulated depreciation and impairment	Computer Software	License Fee (including Spectrum)	Total
<b>As at Apr 01, 2019</b>	<b>294,107,639</b>	<b>3,871,648,116</b>	<b>4,165,755,755</b>
Amortisation for the year	9,996,508	730,031	10,726,539
Disposals / Adjustments	-	-	-
<b>As at Mar 31, 2020</b>	<b>304,104,147</b>	<b>3,872,378,147</b>	<b>4,176,482,294</b>
Amortisation for the year	8,062,748	730,031	8,792,779
Disposals / Adjustments	-	-	-
<b>As at Mar 31, 2021</b>	<b>312,166,895</b>	<b>3,873,108,178</b>	<b>4,185,275,072</b>
Net Book Value	Computer Software	License Fee (including Spectrum)	Total
As at Apr 01, 2019	25,565,503	11,510,487	37,075,990
As at Mar 31, 2020	15,568,995	10,780,456	26,349,451
As at Mar 31, 2021	7,506,247	10,050,425	17,556,673

Note : QTL has filed a petition before TDSAT towards financials losses suffered by the Company because of refusal by DOT to extend the period of GSM Spectrum and License for another 10 years as per UASL License and the matter is still subjudice, so the value of UASL License has not been retired from books post expiry of the same as on 29-Sep'2017.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 7 Financial Non-Current Assets

Particulars	As at 31st March 2021	As at 31st March 2020
Fixed Deposits (held as margin money for credit facilities)		
- Maturity more than 12 months	76,904	289,559
<b>Total</b>	<b>76,904</b>	<b>289,559</b>

\*\*Balances with banks to the extent held as margin money are of Rs. 131,937,455 (March 31, 2020 Rs. 120,240,897) to be read along with Note No. 12.

## 8 Other Non-Current Assets

Particulars	As at 31st March 2021	As at 31st March 2020
Prepaid Expense	1,481,092	1,852,735
<b>Total</b>	<b>1,481,092</b>	<b>1,852,735</b>

## 9 Inventories

Particulars	As at 31st March 2021	As at 31st March 2020
Inventory held for maintenance of network (including Telephone/Customer Premises Equipments)	126,806,143	129,245,100
<b>Total</b>	<b>126,806,143</b>	<b>129,245,100</b>

## 10 Trade Receivables

Particulars	As at 31st March 2021	As at 31st March 2020
Trade Receivables considered good - Secured;	3,135,224	3,434,830
Trade Receivables considered good - Unsecured;	427,414,802	591,791,346
Less: Allowance for expected credit loss	(11,006,113)	(9,219,264)
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - Credit Impaired	70,299,197	109,663,336
Less: Allowance for expected credit loss	(70,299,197)	(109,663,336)
<b>Total</b>	<b>419,543,913</b>	<b>586,006,912</b>
<b>Break-up of security details</b>		
Secured, considered good; *	3,135,224	3,434,830
Unsecured, considered good; **	416,408,689	582,572,082
Considered Doubtful	81,305,310	118,882,600
	<b>500,849,223</b>	<b>704,889,512</b>
Less : Impairment allowance for Trade Receivables	(81,305,310)	(118,882,600)
<b>Total</b>	<b>419,543,913</b>	<b>586,006,912</b>

\* Trade Receivables are secured to the extent of deposit received from the subscribers.

\*\* Includes Rs 193,056,823 (March 31, 2020 - Rs 257,194,984) of unbilled revenues, the invoices for which have been raised subsequent to March 31, 2021 [Refer Note 3.12].

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The movement in allowances for doubtful debts is as under: -

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening Balance	118,882,600	170,283,057
Additions	-	-
Write Back/Off (net of recovery)	(37,577,290)	(51,400,457)
<b>Closing balance</b>	<b>81,305,310</b>	<b>118,882,600</b>

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

Particulars	As at 31st March 2021	As at 31st March 2020
Balances with banks	15,536,076	15,087,317
Cheques in hand	716,518	1,910,014
Cash on hand	-	32,361
<b>Total</b>	<b>16,252,594</b>	<b>17,029,692</b>

12 Other Bank Balances

Particulars	As at 31st March 2021	As at 31st March 2020
Balances with banks (account freezed by respective bank) *	-	33,774,440
Fixed Deposits (held as margin money for credit facilities) **		
- Maturity more than 3 months and up to 12 months	131,860,551	119,951,338
<b>Total</b>	<b>131,860,551</b>	<b>153,725,778</b>

\*During the financial year 2020-21, the freezed bank balance amounting to Rs. 3,33,74,440 laid in current bank account of HDFC bank had been unfreezed by the bank and said bank balance was used to repay back the working capital limit with HDFC Bank under full and final one time settlement.

\*\*Balances with banks to the extent held as margin money are of Rs. 131,937,455 (March 31, 2020 Rs. 120,240,897) to be read along with Note No. 7

13 Current Financial Assets - Others

Particulars	As at 31st March 2021	As at 31st March 2020
Security Deposits, Unsecured, considered good;	81,197,956	81,327,576
Advances - Doubtful	24,621,078	
Less : Provision for Doubtful Advances	<u>24,621,078</u>	-
Interest Accrued on Fixed Deposits	22,236,111	20,290,734
<b>Total</b>	<b>103,434,067</b>	<b>101,618,310</b>

14 Current Tax Assets (net)

Particulars	As at 31st March 2021	As at 31st March 2020
TDS Recoverable	38,670,399	38,426,353
<b>Total</b>	<b>38,670,399</b>	<b>38,426,353</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 15 Other Current Assets

Particulars	As at 31st March 2021	As at 31st March 2020
Prepaid Expenses	39,944,861	39,406,623
Advances to Employees & Others	25,448,961	52,626,670
License Fee paid under Protest (ISP) (Refer Note No. 50)	79,175,847	79,175,847
Balance with Government Authorities	5,282,874	7,222,746
License Fee Recoverable	583,192	388,697
<b>Total</b>	<b>150,435,735</b>	<b>178,820,583</b>

## 16 Assets Held for Sale

Particulars	As at 31st March 2021	As at 31st March 2020
Assets held for Sales (Opening Book Value)	36,162,413	40,180,459
Less: Impairment of assets	-	-
Less: Reduction in Expected Sales value	-	4,018,046
<b>Total Assets held for sale</b>	<b>36,162,413</b>	<b>36,162,413</b>
Liabilities directly associated with assets classified as held for sale	-	-
<b>Net Assets held for sale</b>	<b>36,162,413</b>	<b>36,162,413</b>

GSM business of the Company was in continuous losses which were increased further due to launch of 4G services by leading competitors in the market who are offering free talk time and data. In order to curtail the losses and sustain the business, the Company has decided to discontinue its GSM Services/ Business w.e.f. the midnight of 15-Feb'2017.

The asset held for sales are already at scrap value and Company do not expect further material diminution in its realisable value.

Ind AS 105 "Non-Current Assets Held for Sale and Discontinued Operations" requires disposal business to be identified as held for sale if the carrying amount will recovered principally through a sale transaction rather than continuing use and a sale is considered highly probable. Based on assessment performed by the management, it has been determined that the assets and liabilities of GSM Business should be presented as held for sale under Ind AS. Consequently, the assets and liabilities of disposal business held for sale have been shown separately from the other assets and other liabilities respectively in the Balance Sheet. There is no impact on the total equity or profit as a result of this adjustment.

## 17 Share Capital

## (i) Equity Share Capital

Particulars	As at 31st March, 2021	As at 31st March 2020
<b>Authorised Shares</b>		
12,000,000,000 (March 31, 2020 -12,000,000,000) equity shares of Rs. 1/- each	12,000,000,000	12,000,000,000
<b>Issued, Subscribed and fully paid-up shares</b>		
612,260,268 (March 31, 2020 -612,260,268) equity shares of Rs. 1/- each	612,260,268	612,260,268
	612,260,268	612,260,268

\* Due to IND-AS requirement, Preference Share Capital has been grouped under Financial Liabilities and accordingly not included in the above

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	As at 31st March, 2021*	As at 31st March 2020*
<b>Authorised Shares</b>		
30,000,000 (March 31, 2020 - 30,000,000) preference shares of Rs 100 each.	3,000,000,000	3,000,000,000
<b>Issued, Subscribed and fully paid-up shares</b>		
6,500,000 (March 31, 2020 - 6,500,000) 2% cumulative redeemable preference shares ('CRPS') of Rs 100 each fully paid.	-	-
15,984,543 (March 31, 2020 - 15,984,543) 2% cumulative redeemable preference shares ('CRPS') of Rs 100 each fully paid.	-	-
	-	-

\* The liability component is reflected under the head Financial Liabilities (refer note no. 20)

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

The Company has only one class of equity shares having par value of Re. 1 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 31st March, 2021	As at 31st March 2020
Quadrant Enterprises Pvt Ltd.	302,905,169	302,905,169
% of Holding	49.47%	49.47%
IDBI Bank Ltd. *	11,457,638	112,205,323
% of Holding	1.87%	18.33%
Punjab National Bank (earlier Oriental Bank of Commerce)	33,496,611	33,496,611
% of Holding	5.47%	5.47%

\* During the financial year, the shareholding held by IDBI Bank Ltd., has been decreased due to sale in open market

**c) Others**

(i) 83,070,088 equity shares of Rs. 10/- each (now Re. 1/- each) were allotted on October 16, 2004, pursuant to the Corporate Debt Restructuring ('CDR') Scheme. Out of these, 63,373,110 equity shares were issued by the Company to Industrial Development Bank of India ('IDBI'), at par and the balance of 12,171,778 and 7,525,200 equity shares to Oriental Bank of Commerce ('OBC') and Kotak Mahindra Bank (formerly ING Vysya Bank Limited ('ING')), respectively, at a premium of Re. 0.50 per equity share as per provisions of applicable law.

(ii) 86,743,116 equity shares of Rs. 10/- each (now Re. 1/- each) were issued on July 08, 2009, consequent to the conversion of Optionally Fully Convertible Debentures (OFCDs) pursuant to the Corporate Debt Restructuring (CDR) Cell.

**18 Other Equity**

	As at 31st March, 2021	As at 31st March 2020
Securities Premium	22,633,732	22,633,732
Statutory Reserve	11,900,000	11,900,000
Capital Reserve	34,032,776	34,032,776
Retained Earnings	(22,317,512,974)	(19,348,654,375)
Other Comprehensive Income	-	(9,482,812)
<b>Total</b>	<b>(22,248,946,466)</b>	<b>(19,289,570,679)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## (i) Securities Premium

Particulars	As at 31st March, 2021	As at 31st March 2020
Opening Balance	22,633,732	22,633,732
Increase/(Decrease) during the year	-	-
Closing Balance	22,633,732	22,633,732

## (ii) Statutory Reserve

Particulars	As at 31st March, 2021	As at 31st March 2020
Opening Balance	11,900,000	11,900,000
Increase/(Decrease) during the year	-	-
Closing Balance	11,900,000	11,900,000

## (iii) Capital Reserve

Particulars	As at 31st March, 2021	As at 31st March 2020
Opening Balance	34,032,776	34,032,776
Increase/(Decrease) during the year	-	-
Closing Balance	34,032,776	34,032,776

## (iv) Retained Earnings

	As at 31st March, 2021	As at 31st March 2020
<b>Opening Balance</b>	<b>(19,348,654,375)</b>	<b>(18,883,416,881)</b>
Changes in accounting policy or prior year errors	-	-
Restated balance at the beginning of the reporting year	-	-
Transfer from Other Comprehensive income	(9,482,812)	-
Net profit/(loss) for the year	(2,961,531,632)	(465,237,494)
<i>Items of Other Comprehensive Income recognised directly in retained earnings</i>		
Re-measurement gains / (losses) on defined benefit plans (net of tax)	2,155,844	-
<b>Closing Balance</b>	<b>(22,317,512,974)</b>	<b>(19,348,654,375)</b>

## (v) Other Comprehensive Income

Particulars	As at 31st March, 2021	As at 31st March 2020
<b>Opening Balance</b>	<b>(9,482,812)</b>	<b>(8,181,894)</b>
Items of Other Comprehensive Income		
Remeasurement of Defined benefit plans		(1,300,918)
Transfer to Retained Earnings	9,482,812	-
<b>Closing Balance</b>	<b>-</b>	<b>(9,482,812)</b>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

19 Non-Current - Borrowings

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Unsecured</b>		
(a) Bonds and debentures		
(i) Zero percent Non Convertible Debentures ('NCDs') (erstwhile OFCDs) *	132,392,245	122,585,412
(ii) Zero percent Compulsory Convertible Debentures (CCDs) Convertible into 2% NCRPS (refer note no. 44 (e) & (f))	9,452,483,907	8,752,299,914
(b) Loans		
(i) From other parties (refer note no. 44 (b), (c) & (d))	2,508,699,886	2,508,699,886
<b>Total</b>	<b>12,093,576,038</b>	<b>11,383,585,212</b>

\* On October 16, 2004, the Company had issued 1,667,761 zero percent Non-Convertible Debentures ('NCDs') of Rs. 100 each in lieu of interest accrued on term loans from a financial institution and a bank for the period April 1, 2003 to December 31, 2003. The 'NCD's earlier redeemable at par on March 31, 2014, then at par on March 31, 2016, are now redeemable at par on March 31, 2024 after repayment of the term loans as per CDR Schemes. (Also refer note no. 44 (a))

20 Non-Current - Others

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Preference Shares</b>		
(i) 6,500,000 2% Cumulative Redeemable Preference Shares ('CRPS') of Rs 100 each fully paid.	650,000,000	650,000,000
(ii) 15,984,543 2% Cumulative Redeemable Preference Shares ('CRPS') of Rs 100 each fully paid.	1,598,454,300	1,598,454,300
License Fee Payable	1,532,621,927	-
Security Deposits	5,396,720	2,790,319
<b>Total</b>	<b>3,786,472,947</b>	<b>2,251,244,619</b>

(i) "6,500,000, 7.5 percent CRPS were allotted on October 16, 2004, pursuant to the CDR Scheme, where under the specified part of the amount due to CRPS Holder by the Company was converted into 7.5 percent CRPS redeemable after the repayment of Rupee Term Loan (in Financial Year 2016-17). As per the CDR Scheme, prior approval of the lenders would be required to declare dividend on 7.5 percent CRPS and all the voting rights attached to the CRPS to be assigned in favour of the term lenders. On June 24, 2005 as per revised CDR Scheme, the dividend percentage was reduced to 2 percent from 7.5 percent with effect from date of issuance of CRPS. The CDR dated August 13, 2009 does not stipulate any reference to aforesaid CRPS. Accordingly the CRPS shall be redeemable after the full settlement of dues to term lenders i.e. in Financial Year 2024-25 as against earlier stipulated repayment in Financial Year 2016-17. (with reference to CDR dated June 24,2005).

The Shareholder of aforesaid CRPS, Shree Dhoot Trading and Agencies Limited was Amalgamated with Electroparts (India) Pvt. Ltd. w.e.f. July 19, 2017 vide order of The National Company Law Tribunal.

(ii) 15,984,543, 2% Cumulative Redeemable Preference Shares of Rs. 100/- fully paid up, aggregating up to Rs. 1,598,454,300 were allotted on November 9, 2010 to the Banks and Financial Institution, namely, IDBI Bank Limited, Life Insurance Corporation of India, Oriental Bank of Commerce, Kotak Mahindra Bank (formerly ING Vysya Bank) and State Bank of India (formerly State Bank of Patiala) in terms of the Corporate Debt Restructuring Package (CDR Package) approved by the Corporate Debt Restructuring Cell (CDR Cell) vide their letter dated August 13, 2009, in conversion of 25% of their outstanding loans; the CRPSs shall be redeemed (yearly) over a period of four years commencing from March 31, 2021 at a premium of 34% p.a.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 21 Non-Current Liabilities - Provision

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for Employee Benefits *		
Gratuity	35,315,029	34,179,967
Leave Encashment	7,823,221	9,962,618
<b>Total</b>	<b>43,138,250</b>	<b>44,142,585</b>

\*Refer Note No. 38 for movement of provision towards employee benefits

## 22 Non-Current Liabilities - Others

Particulars	As at 31st March 2021	As at 31st March 2020
Advance from Customers and Unaccrued Income	29,680,190	49,707,532
<b>Total</b>	<b>29,680,190</b>	<b>49,707,532</b>

## 23 Current Financial Liabilities - Borrowings

Particulars	As at 31st March 2021	As at 31st March 2020
<b>Secured</b>		
Loans repayable on demands from Banks *	96,403,746	173,655,942
<b>Total</b>	<b>96,403,746</b>	<b>173,655,942</b>

\* Working capital loan is secured by first charge on entire receivables, current assets and fixed assets of the Company on pari passu basis with other member banks with rate of interest ranging from 12.65% to 15.10%.

## 24 Trade Payables

Particulars	As at 31st March 2021	As at 31st March 2020
total outstanding dues of micro enterprises and small enterprises ; and	3,059,124	4,293,450
total outstanding dues of creditors other than micro enterprises and small enterprises.	434,576,310	459,458,337
<b>Total</b>	<b>437,635,434</b>	<b>463,751,787</b>

Refer Note No. 39

## 25 Current Financial Liabilities - Others

Particulars	As at 31st March 2021	As at 31st March 2020
Current Maturities of Non Convertible Debentures (NCDs) (refer note no. 43(a))	3,102,709,664	3,082,709,664
Book Bank Overdraft	1,186,042	40,375,439
Interest accrued and due	1,097,762,949	882,072,069
Interest accrued but not due on Borrowings	603,854,570	667,792,746
Provision for Dividend & Premium on Redemption of Preference Shares	1,534,516,128	1,406,639,784
Security Deposits	33,166,466	39,274,291
Other Payables		
- For Salary	59,268,291	65,680,263
- For Expenses	584,478,584	515,663,463
- For License Fees	170,291,325	1,211,264
<b>Total</b>	<b>7,187,234,019</b>	<b>6,701,418,982</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

26 Current Liabilities - Others

Particulars	As at 31st March 2021	As at 31st March 2020
Advance from Customers and Unaccrued Income	20,457,257	20,485,190
Statutory Dues Payable (Including GST, TDS, PF & others)	17,931,620	72,240,830
<b>Total</b>	<b>38,388,877</b>	<b>92,726,020</b>

27 Current Liabilities - Provision

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for Employee Benefits		
Gratuity	3,699,118	3,049,608
Leave Encashment	885,140	1,056,829
<b>Total</b>	<b>4,584,258</b>	<b>4,106,437</b>

28 Revenue from operations

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Sale of services;</b>		
From Unified Access Services	107,290,408	63,141,009
From Interconnection Usage Services	2,274,957,925	2,490,070,595
From Internet Services	1,907,084,511	2,019,589,199
<b>Total</b>	<b>4,289,332,844</b>	<b>4,572,800,803</b>

29 Other Income

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest Income		
on FDR	8,353,239	9,398,229
on Income Tax Refund	1,204,196	4,215,708
on others *	983,664	436,700
Gain on Foreign Currency Translation (Net)	-	1,540,258
Excess Provision Written Back	23,353,913	56,211,903
Rental Premises	7,472,217	6,435,770
Gain on Lease Rental Waivers	4,457,260	-
Gain on Sale/Discard of Asset	328,260	-
Other non operating Income	1,270,266	99,300
<b>Total</b>	<b>47,423,015</b>	<b>78,337,868</b>

\* Interest Income on others represents fair valuation of security deposits as per requirement of IND-AS 109

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 30 Network Operating Expenses

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interconnect Usage Charges	2,238,456,823	2,430,511,586
Other Value Added Service charges	26,850,705	32,282,864
Port Charges	32,017,613	25,985,200
Licence Fees on Revenue Share Basis	2,925,730	19,275,991
Stores and Spares Consumed	49,959,627	87,091,147
Rent Node site	11,764,584	14,969,911
Infrastructure Sharing Rent	71,411,733	88,264,767
Electricity and Water -Network	103,638,714	114,354,066
Security Charges	649,270	684,105
Repair & Maintenance - Network	373,157,173	516,646,997
Bandwidth Charges	271,293,815	150,209,188
<b>Total</b>	<b>3,182,125,787</b>	<b>3,480,275,822</b>

## 31 Employee Benefits Expenses

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries and bonus	425,747,988	372,434,420
Contribution to Provident and other funds	28,204,302	15,245,593
Staff Welfare Expenses	5,833,692	11,304,200
<b>Total</b>	<b>459,785,982</b>	<b>398,984,213</b>

## 32 Selling and Marketing Expenses

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Sales and Business Promotion	1,941,787	44,124,259
Advertisement Expenses	4,985,495	7,123,118
Customers Acquisition Costs (including commission to channel partner)	306,502,511	161,450,128
<b>Total</b>	<b>313,429,793</b>	<b>212,697,505</b>

## 33 Finance Costs

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest to Banks		
- on Working Capital	15,628,559	24,842,867
- on Non Convertible Debentures	255,752,704	256,453,396
Interest to Others *	718,030,440	684,335,172
Other Finance Charges **	127,876,344	127,876,344
<b>Total</b>	<b>1,117,288,047</b>	<b>1,093,507,779</b>

\* Interest to other includes unwinding of finance cost (as per requirement of IND-AS 109) on 1,667,761 zero percent Non-Convertible Debentures ('NCDs') and 12,860,000 Unsecured Zero Coupon Compulsory Convertible Debentures ('CCDs') amounting to Rs. 9,806,833/- (P.Y. Rs. 9,080,401/- and Rs. 700,183,993/- (P.Y. Rs. 648,318,512/-) respectively.

Refer Note No. 44 also

\*\* Other Finance charges is for provision for Preference share dividend and redemption premium of Preference Share Capital Rs. 127,876,344/- (P.Y. Rs. 127,876,344/-)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

34 Other Expenses

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Payment to the Auditors		
- Audit Fees	1,750,000	1,750,000
- Tax Audit Fees	480,000	480,000
- Other Services	225,000	225,000
- Reimbursement of Expenses	3,025	80,018
Loss on Foreign Currency Translation (Net)	1,632,580	-
Legal & Professional Charges	16,987,165	37,315,443
Travelling & Conveyance Expenses	60,844,112	58,009,315
Communication Expenses	5,216,267	5,297,774
Rent	13,106,217	12,024,120
Security Charges	6,173,787	6,204,639
Repair & Maintenance	12,639,118	14,575,032
Electricity Expenses	6,168,108	11,391,837
Insurance Expenses	12,036,231	8,196,127
Rates & Taxes	3,371,596	3,019,367
Freight & Cartage	4,203,183	5,731,574
Recruitment & Training Expenses	180,271	65,478
Printing & Stationary	1,587,566	1,850,990
Billing & Collection Expenses	85,292,352	110,290,626
Loss on Sale/Discard of Asset	-	2,682,873
Bad Debts Written off 7,385,374		
Less: Impairment allowance for trade receivables <u>1,716,415</u>	5,668,959	5,056,926
Provision for Doubtful debts	3,222,528	-
Miscellaneous Expenses	6,567,746	6,966,635
<b>Total</b>	<b>247,355,811</b>	<b>291,213,774</b>

35 Exceptional Items

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
License Fee including Interest	-	86,101,917
Reversal of License Fee for ISP	-	(756,072,522)
License Fee as per Supreme Court Order till 31-March'2017 *	1,892,125,836	-
License Fee as per AGR for F.Y. 2017-18 to F.Y. 2019-20 *	56,660,614	-
License Fee excess deposited *	(247,014,456)	-
<b>Total</b>	<b>1,701,771,994</b>	<b>(669,970,605)</b>

\* Pursuant to the judgement of the Hon'ble Supreme Court of India on October 24, 2019 ('Court Judgement') including subsequent supplementary judgements, and in the absence of any potential reliefs, the Company during the year has provided for Rs. 18,922.00 Lakh (i.e. 18,991.00 less LF deposit of Rs. 69.00 Lakh) on account of AGR dues for the periods up to March 31, 2017 and Rs. 566.61 Lakh LF dues on the basis of AGRs filed for the FY 2017-18 to 2019-20 for which final demands have yet to be received, as an exceptional item.

Further, in its subsequent judgment dated, September 1, 2020 the Hon'ble Supreme Court reaffirmed that the Demand raised by the DoT stated in its modification application as final and no dispute or re-assessment shall be undertaken. In addition, Hon'ble Supreme Court directed that the Telecom Operators shall make a payment of 10% of the total dues as demanded by DoT, by March 31, 2021 and remaining dues in yearly instalments commencing April 1, 2021 till March 31, 2031, payable by March 31 of every succeeding financial year. Company stated that it has already deposited Rs. 2,458.00 Lakhs by way

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

of surplus in ISP Licence fees as assessed by DoT and Rs. 12.32 Lakh has also deposited excess which is not yet assessed, accordingly the management is of the view that it has already paid more than 10% of the total dues as ISP Licence Fees surplus and will ensure ongoing compliance with the Hon'ble Supreme Court's orders.

So the Company has deposited 10% payable by 31st March 2021 i.e. Rs 1892 Lakh by way of adjustment from surplus/ excess payment under ISP of Rs. 2,458.00 Lakhs and excess payment LF of Rs. 12.32 Lakh lying with DOT.

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

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>Basic &amp; Diluted Earnings Per Share</b>		
Profit / (Loss) after tax	(2,961,531,632)	(465,237,494)
Profit attributable to ordinary shareholders	(2,961,531,632)	(465,237,494)
Weighted average number of ordinary shares (used as denominator for calculating Basic and Diluted EPS)	612,260,268	612,260,268
Nominal value of ordinary share	Re. 1/-	Re. 1/-
Earnings per share		
Basic	(4.84)	(0.76)
Diluted	(4.84)	(0.76)

## Notes to Financial Statements for the year ended March 31, 2021

## 37 Critical accounting estimates, assumptions and judgments

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Company, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company 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 Company regularly assesses these estimates, actual results could differ materially from these estimates – even if the assumptions under-lying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the financial statements in the period in which they become known.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and tangible assets. The Company, as at the date of approval of these financial statements has used internal and external sources of information while developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic and impact on the expected future performance of the Company and the Company based on said assumptions and current estimates expects that the carrying amount of these assets will be recovered.

The areas involving critical estimates, assumptions or judgments are:

1. Useful lives of property, plant and equipments **Note No. 3.5 & 4**
2. Measurement of Lease liabilities and Right of Use Asset **Note No. 3.16 & 5**
3. Useful life of intangible asset **Note No. 3.6 & 6**
4. Allowance for trade receivables **Note No. 3.7.1 & 10**
5. Measurement defined benefit obligation **Note No. 3.14 & 38**
6. 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. 3.16 & 5**
7. Estimation of Provisions & Contingent liabilities **Note No. 3.21 & 41**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

38 During the year, Company has recognised the following amounts in the financial statements as per IND-AS 19 “Employee Benefits”

a) **Defined Contribution Plan**

Contribution to Defined Contribution Plan, recognised are charged off for the year as under :

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's Contribution to Provident Fund	24,185,238	14,470,084
Employer's Contribution to ESI	3,847,969	661,519

b) **Defined Benefit Plan**

The employees’ gratuity fund scheme is partially managed by Life Insurance Corporation of India and ICICI Lombard General Insurance Company Limited which is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation and the obligation for leave encashment is recognised in the same manner as gratuity.

Actuarial Assumptions	In Rupees Gratuity (Funded)		In Rupees Leave Encashment	
	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
Mortality rates inclusive of provision for disability	100% of IALM (2012-14)	100% of IALM (2012-14)	100% of IALM (2012-14)	100% of IALM (2012-14)
Discount rate (per annum)	6.79%	7.02%	6.79%	6.79%
Rate of increase in Compensation levels	6%	6%	6%	6%
Average remaining working lives of employees (Years)	22.03	22.49	22.03	22.49

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

Present value of the obligation as at the beginning of the year	37,837,758	25,997,990	11,019,447	7,898,396
Acquisition adjustments	-	7,510,245	Nil	4,795,641
Interest Cost	2,673,621	2,015,937	747,526	601,369
Past Service Cost (Vested Benefit)	Nil	Nil	Nil	Nil
Current Service Cost	6,208,210	4,158,317	2,593,228	2,105,459
Curtailment Cost / (Credit)	Nil	Nil	Nil	Nil
Settlement Cost / (Credit)	Nil	Nil	Nil	Nil
Benefits Paid	(4,898,892)	(3,145,649)	(1,915,955)	(835,156)
Actuarial (gain)/ loss on obligations	(2,133,490)	1,300,918	(3,735,885)	(3,546,262)
Present value of obligation as at the end of the year	39,687,207	37,837,758	8,708,361	11,019,447

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

Fair value of plan assets at beginning of the year	608,183	572,125	Nil	Nil
Acquisition adjustments	Nil	Nil	Nil	Nil
Expected return of plan assets	66,412	43,072	Nil	Nil
Employer contribution	Nil	Nil	Nil	Nil
Benefits paid	Nil	Nil	Nil	Nil
Actuarial gain/ (loss) on obligations	Nil	Nil	Nil	Nil
Changes deducted	(1,535)	(7,014)	Nil	Nil
Fair value of plan assets at year end	673,060	608,183	Nil	Nil

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**Actuarial gain/loss - plan assets :**

Expected Interest Income	42,523	42,771	Nil	Nil
Actual Income on Plan Asset	64,877	36,058	Nil	Nil
Actuarial (gain) / loss-plan assets	22,354	6,713	Nil	Nil

**Other Comprehensive Income**

Actuarial (gain) / loss for the year - Obligation	(2,133,490)	1,300,918	Nil	Nil
Actuarial (gain) / loss for the year - Plan assets	22,354	6,713	Nil	Nil
Total (gain) / loss for the year	(2,111,136)	1,307,631	Nil	Nil
Actuarial (gain) / loss recognized in the year	(2,133,490)	1,300,918	Nil	Nil

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

Present value of obligation as at the end of the year	39,687,207	37,837,758	8,708,361	11,019,447
Fair value of plan assets as at the end of the year	673,060	608,183	Nil	Nil
Unrecognised actuarial (gains) / losses	Nil	Nil	Nil	Nil
Net asset / (liability) recognised in Balance Sheet	(39,014,147)	(37,229,575)	(8,708,361)	(11,019,447)

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

Current Service Cost	6,208,210	4,158,317	2,593,228	2,105,459
Past Service Cost (Vested Benefit)	Nil	Nil	Nil	Nil
Interest Cost	2,673,621	2,015,937	747,526	601,369
Expected return on plan assets	Nil	Nil	Nil	Nil
Curtailment and settlement cost / (credit)	Nil	Nil	Nil	Nil
Net Actuarial (Gain)/Loss recognised in the year	Nil	Nil	(3,735,885)	(3,546,262)
Expenses recognised in the Statement of Profit and Loss	8,881,831	6,174,254	(395,131)	(839,434)

**Sensitivity Analysis****Impact of the change in discount rate**

Present Value of Obligation at the end of the year	39,687,207	37,837,758	8,708,361	(11,019,447)
Impact due to increase of 0.50 %	(1,295,407)	(1,275,882)	(321,561)	(415,957)
Impact due to decrease of 0.50 %	1,374,146	1,354,662	341,001	441,917

**Impact of the change in salary increase**

Present Value of Obligation at the end of the year	39,687,207	37,837,758	8,708,361	(11,019,447)
Impact due to increase of 0.50 %	1,377,944	1,358,478	342,200	443,493
Impact due to decrease of 0.50 %	(1,310,798)	(1,291,027)	(324,338)	(419,566)

**Expected future undiscounted Cash Flows\***

0 to 1 Year	885,140	3,049,608	885,140	1,056,829
1 to 2 Year	988,288	3,445,727	210,364	1,056,787
2 to 3 Year	659,498	3,333,708	158,156	957,039
3 to 4 Year	738,315	2,892,888	175,219	859,774
4 to 5 Year	680,163	2,625,626	154,819	751,982
5 to 6 Year	2,249,583	2,328,821	316,155	667,858
6 Year onwards	33,486,220	20,161,380	6,808,469	5,669,178

\*Based on the accrued liability as at the valuation date and on the assumption that the actual or experienced cash flows will closely follow the expected or theoretical cash flows. Vesting criterion has been ignored.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**Investment Details**

Life Insurance Corporation of India and ICICI Lombard General Insurance Company Limited (Cash Accumulation) Policy.	673,060	608,183	Nil	Nil
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Note - The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the Actuary.

**39 Disclosure required under Micro, Small and Medium Enterprises Development Act, 2006 are given as follows :**

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount due	3,059,124	4,293,450
(ii) Interest due on above	Nil	Nil
(iii) Interest paid during the year beyond the appointed day	Nil	Nil
(iv) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	Nil	Nil
(v) Amount of interest accrued and remaining unpaid at the end of the year	Nil	Nil
(vi) 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	Nil	Nil

**Note:** The above information has been determined on the basis of information available with the Company and has been relied upon by the auditors.

**40** The Company is in process of reconciliation / adjustments, if any, on its balances of some of the trade payable, other liabilities, advances and security deposits pertaining to erstwhile GSM business. The requisite accounting effect, if any, will be given upon such reconciliation.

**41 Capital Commitments and Contingent Liabilities not provided for in respect of**

Particulars	As at March 31, 2021 (Rs)	As at March 31, 2020 (Rs)
(i) Bank Guarantees given against Bid Bonds/Performance/Advance		
Financial Bank Guarantees	99,465,902	98,041,902
Performance Bank Guarantees	120,644,325	120,354,695
(ii) Claims against the Company not acknowledged as debts	32,716,394	34,695,194
(iii) Others (Refer <b>Note 41 (a to r)</b> )	3,289,921,527	5,214,654,801

**a** The Wireless Finance Division of Department of Telecommunications has claimed an outstanding of Rs. 29,585,211 towards the 'Spectrum Charges' dues from year 2001 to year 2005 vide their letter 1020/48/2005-WFD dated October 7, 2005. The Company has submitted its reply to the department on October 25, 2005 confirming the total due of Rs. 29,472 only and paid the said amount. The Wireless Finance Division of Department of Telecommunications has subsequently claimed Rs. 39,310,176 vide letter number 1020/48/2005-WFD dated September 13, 2006 towards the Spectrum Charges dues from year 2001 to year 2006. The Company has submitted a detailed reply on October 31, 2006. During the year ended March 31, 2008, out of the above demand, the Company has deposited Rs. 1,801,241 under protest towards the interest due till August 31, 2006. Wireless Finance Division of Department of Telecommunications has updated their claim to Rs. 70,604,092 towards Spectrum Charges dues from January 1, 2000 to September 30, 2008 vide letter number 1020/29/WR/07-08 dated October 24, 2008. The Company has once again made a written representation vide its letter dated December 8, 2008 and August 12, 2009. Subsequently, DoT has revised their demand to Rs. 70,528,239 vide Letter No 1020/48/WFD/2005-06/ Dated September 6, 2010 to which the Company has made representations vide letter dated September 23, 2010, February 3, 2011 and March 17, 2011. Further, DoT has revised their demand to Rs. 149,960,749 vide Letter No 1020/48/WFD/2005-06/ dated January 3, 2013 to which the Company has made representations vide letter dated January 18, 2013. The reply of which has not been received so the demand of Rs. 149,960,749 is considered as contingent liability but the company is confident that no liability would accrue regarding the same in future.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- b** During the year ended March 31, 2007, Bharat Sanchar Nigam Limited ('BSNL') has raised supplementary bill dated August 10, 2006 for Rs. 167,614,241 towards Inter-connect Usage Charges ('IUC') and Access Deficit Charges ('ADC') for the period November 14, 2004 to August 31, 2005 on the Company. BSNL further raised invoices to the tune of Rs. 99,346,533 on similar grounds for the period September 1, 2005 to February 28, 2006. These charges are on account of unilateral declaration of the Company's Fixed Wireless and Wireline Phone services as Limited Mobility Services by BSNL. The Company has submitted its reply to BSNL on August 23, 2006 asking for the calculation/basis for the additional amount raised towards IUC and ADC by BSNL for Rs. 167,614,241. Subsequently, BSNL issued a disconnection notice on August 26, 2006 which required the payment of Rs. 208,236,569 (including Rs. 167,614,241). The Company has submitted details to BSNL for payments already made for Rs. 40,622,328. The Company has approached Hon'ble TDSAT on the subject matter and a stay order was granted on Company's petition no 232 of 2006 against the disconnection notice on September 21, 2006. BSNL Jalandhar Office subsequently raised a supplementary bill dated March 20, 2007 for Rs. 5,206,780, to which the Company has submitted its reply on March 23, 2007 intimating that the matter being sub-judice and pending decision by the Hon'ble TDSAT, no coercive action be taken against the Company. The hearing on the matter has been completed and the Hon'ble TDSAT has pronounced the judgment on May 21, 2010 in Company's favour and has directed that BSNL and the Company should exchange relevant information and reconcile the differences. BSNL went for appeal in Hon'ble Supreme Court vide CA No-7435 of 2010. The matter is yet to be listed in SC for hearing. In the absence of information from BSNL, the Company is not in a position to determine the liability with respect to this matter. The Company, based on expert legal opinion, believes that there would be no financial liability against such bills total amounting to Rs. 272,167,554 and accordingly, has not recorded any liability towards the IUC and ADC supplementary bills during the period ended March 31, 2021, however the same is considered as contingent liability
- c** The Company was in receipt of a demand of Rs. 433,158,340 from Bharat Sanchar Nigam Limited ('BSNL') on December 20, 2008 on account of unilateral revision of access charges vide its letter dated April 28, 2001 for the period from June 2001 to May 2003, in contravention of the Interconnect Agreement and TRAI Regulations. The Company, Association of Unified Service Providers of India 'AUSPI' (erstwhile Association of Basic Telephone Operators 'ABTO') and other Basic Service Operators contested aforesaid revision in the rates of access charges before Telecom Dispute Settlement Appellate Tribunal ('TDSAT'). TDSAT vide its reasoned and detailed judgement dated April 27, 2005 allowed the refund claims and struck down the unilateral revision in the rates of access charges by BSNL and held that Telecom Regulatory Authority of India ('TRAI') is the final authority for fixing of access charges and access charges would be payable as rates prescribed by the TRAI and as per the Interconnect agreements. BSNL preferred an appeal in Hon'ble Supreme Court against the order of TDSAT and an interim stay was granted on October 19, 2006 Therefore aggrieved by such unilateral action on the part of BSNL by raising aforesaid demand and disturbing the status-quo, applications were moved by the Company, AUSPI and other Operators in the Hon'ble Supreme Court vide C.A No.5834-5836 of 2005 that was listed for hearing on February 9, 2009 and Hon'ble Supreme Court passed an order clarifying its previous order of October 19, 2006 and stayed the refunds claim against the BSNL there by upholding the TDSAT order dated April 27, 2005 whereby BSNL is refrained from raising the access charges demand. The BSNL went for appeal in Hon'ble Supreme Court vide C.A No 5834-5836 of 2005 BSNL Vs ABTO & Others. The matter was Tagged with CA-5253 of 2010 to decide the preliminary objection raised by TRAI on the TDSAT's jurisdiction. Next date of hearing is awaited. The Company based on the legal opinion believes that there would be no financial liability against this demand of Rs. 433,158,340 and has accordingly not recorded any liability towards access charges during the period ended March 31, 2021, however the same is considered as contingent liability
- d** The Company was in receipt of demand of Rs. 7,000,000 from Department of Telecommunications ('DoT'), Licensing Group (Access Services) vide their letter dated October 21, 2009 for issuance of SIM cards on fake ID in Punjab Service Area, where in the Licensee was required to ensure adequate verification of each and every customer before enrolling him as a subscriber. The Company has replied to DoT vide letter dated November 14, 2009 that the levy of penalty imposed by DoT was based on verification done by an agency other than the DoT - TERM Cell and the exercise was carried out suo moto and in complete disregard of the established procedures and guidelines laid by DoT. Accordingly the Company has requested DoT to have this validation done by the DoT - TERM Cell. The Company believes that there would be no financial liability against this demand of Rs. 7,000,000 and has accordingly not recorded any liability towards penalty during the period ended March 31, 2021, however the same is considered as contingent liability
- e** As per The Telecommunication Interconnect Usage Charges Regulations 2003, intra circle carriage charges payable per minute for all intra circle calls irrespective of the distance between originating and terminating points. However, Bharat Sanchar Nigam Limited ('BSNL') was charging additional amounts based on distance for the period October 2007 to March 2009 which was against the Telecommunication Interconnect Usage Charges Regulations 2003 of TRAI. The matter was raised to Hon'ble TDSAT by service providers to which Hon'ble TDSAT vide it's order dated May 21, 2010

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- upheld the demand of BSNL. The liability of the Company on the basis of BSNL demand is amounting to Rs. 4,110,959. Subsequently TRAI appealed against the order of TDSAT in the Hon'ble Supreme Court vide CA No 271-281 of 2011. The matter is sub-judice and the final decision of the Hon'ble Supreme Court in the matter is still awaited. However the Company has considered the demand of Rs. 4,110,959 as contingent liability.
- f The DoT (Term Cell) Punjab has issued another Show Cause Notice to the Company making a demand for Rs. 323,500,000 DOT vide letter number 8-8/EMR-QTL/TERM-PB/2013/15C dated December 30,2013, wherein the TERM Cell, Punjab has imposed a penalty for alleged non-compliance for Emission Magnetic Frequency ("EMF") radiation norms (share site) with respect to 647 Base Transreceiver Stations ('BTS') as per list attached with said letter, in terms of the Unified Access Services ('UAS') License granted to the company. The Company has since submitted its response to the TERM Cell vide letter dated January 8, 2014, in reply to above, the Term Cell had issued an amended Show Cause Notice vide letter no. 8-8/EMR-QTL/TERM-PB/2013/24C dated August 7, 2014 superseding its earlier Show Cause Notice and revising the amount of penalty to Rs. 267,000,000 for 534 BTS sites (in place of earlier show cause demanding Rs. 323,500,000 for 647 BTS sites). The Company filed a case in TDSAT and the matter is listed vide Petition No. 423 of 2014 and pending for hearing but the amount of penalty amounting to Rs. 267,000,000 has been considered as contingent liability.
- g The Company had received a Show Cause Notice/Demand Letter dated 11-08-2015 pertaining to the SAF non-compliance of about 5317 SAFs for the year 2013 with CAF Penalty of Rs. 184,625,000/-. We have got examined all the SAFs pointed out by DoT-TERM Cell and the number of non-compliant SAFs reduced to 4564. In the meantime we have represented the case with DDG (TERM) to re-examine all the referred cases. The non-compliances had been occurred due to one of the distributor in Punjab who manipulated the large numbers of ID which were beyond the control of operators. In the present case, all the SAFs of one of the distributors of all the operators in Punjab are non-complied due to the ID problem. The matter is being re-examined by TERM and other departments to assess as how to protect the TSPs interest in case of such non-compliance is done by the Distributors. Industry is working on it by taking appropriate checking mechanisms in place to avoid such non-compliance happening henceforth in any manner. Also, industry is taking appropriate legal action against the defaulting distributors without affecting the normal business of the Company. DOT-Term Cell reduced the CAF penalty to Rs. 154,225,000 for 3956 no. of CAFs in default. So the Company has filed petition in TDSAT vide petition No.13 of 2016 which is pending for final arguments and the Company has considered the same as contingent liability.
- h The Company was in receipt demand for Rs. 140,000,000 vide Show Cause Notice dated September12, 2016 from Department of Telecommunications ("DoT") for non fulfilment of First and Second phase roll-out obligations of Unified Access Service License ('UASL') (CDMA) Agreement for Punjab Service Area, wherein, the licensee, as per the terms of the license agreement was required to ensure that at least 10% of the District Headquarter / Towns are covered in the first year and 50% of the District Headquarter will be covered with in the three years of effective dated of License. The date of migration to UASL which commences from the date of Test Certificate issued by Telecom Engineering Centre ("TEC") as stated by DoT in the Show Cause Notice issued, the Company has violated the conditions of UASL and accordingly Liquidated Damages of Rs. 140,000,000 has been imposed. Company submitted its reply vide letter No. QTL/Reg/DoT/F-11/1611/124 dated November 24, 2016 for personal hearing which has been done on 30.06.2019 at DoT HQ and time has been given by DoT to submit brief submission along with documentary proof. The Company has submitted brief details along with documentary proof to DoT & 2nd personal hearing has been done on 05.11.2019 at DoT HQ and now it is pending at DoT end for finalization. Petition has been filed by QTL challenging the Demand Notice bearing no. 1-5/2016-AS-IV dated 24.06.2020 ("Notice") issued by Department of Telecommunications ("DoT") vide which Company has been directed to pay INR 70,000,000 towards imposition of Liquidated Damages ("LD") for default in compliance of 1st Phase Roll-out obligations in respect of Basic Service License agreement CDMA. Company has filed Telecom Petition No. 37 of 2020 before Hon'ble TDSAT against impugned demand dated 24.06.2020 imposing Liquidated Damages of INR 70,000,000. The petition was listed before Hon'ble TDSAT for hearing on 13.07.2020 and interim stay was granted against the impugned demand. The matter is in due course. Interim Order shall continue till the next date of hearing The Company believes that there would be no financial liability against this demand of Rs. 70,000,000 and has accordingly not recorded any liability towards penalty during the year ended March 31, 2021 but the same has been considered as contingent liability
- i The Company was in receipt of demand notice for Rs. 70,000,000 by Show Cause Notice dated 13th June, 2016 from Department of Telecommunication ("DoT") for Levy of Liquidated Damages (LD) on provisional Basis for default in Compliance of first phase as well as second phase of rollout obligation in respect of dual Technology (Second) spectrum (GSM). AS per NTP -99 was amended introducing two new categories of License and UASL 2007. Principle approval to use GSM Technology (Second Technology) in addition to CDMA technology under the existing UASL (S) was granted

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

to the licensee vide letter No.20-100/2007/Spectrum/AS-I/3 dated 18.10.2007. The Company shall meet the roll-out obligation and other stipulation of the UAS license. As the Company had not fulfilled the first phase Roll out obligation. As per directed to show-cause notice within 21 days from the date of issue of this notice liquidated damages amounting to total Rs. 70,000,000 on provisional basis. Company filed reply letter against show cause notice on legal ground on 31.08.2016 for personal hearing which has been done on 30.06.2019 & 05.11.2019 at DoT HQ. Thereafter DoT vide letter dated 28.04.2020 has issued Demand notice of 7 Crores (Seven Crores), so the Company has filed Petition No. 11 of 2020 before Hon'ble TDSAT against impugned demand letter dated 28.04.2020 and Hon'ble TDSAT vide its order dated 14.05.2020 has grant interim stay against the impugned demand letter dated 28-4-2020 and Matter not listed on 26-March-2021 Next date awaited for arguments. The Company believes that there would be no financial liability against this demand of Rs. 70,000,000 and has accordingly not recorded any liability towards penalty during the year ended March 31, 2021 but the same has been considered as contingent liability.

- j** The company has received a demand of Rs. 75,987,456 from a Department of Telecommunications (DOT) vide letter no. 17-41/2018/LFA/Quadrant dated 31.03.2021 on account of License Fee dues for F.Y. 2017-18, out of which, the Company has already provided license fee amounting to Rs. 26,723,278 in the books of accounts. The Company has also made representation to DOT against said demand vide letter no. QTL/Reg/DOT/2104/1498 dated 13-April'2021 and the same is under consideration of DOT. So the Company has considered differential demand of Rs. 49,264,178 as contingent liability.
- k** The Company has received a demand of Rs. 527,626,826/- vide letter dated 04-April'2018 and miscellaneous application no. 175 of 2019 from IDEA Cellular Limited (ICL) on account of International SMS Termination Charges for the period from Nov-17 to Feb-18. ICL has billed the Domestic SMS Traffic again to the Company in the pretext of International SMS Traffic, by citing reference to a paragraph of Interim Order of TDSAT vide dated October 13, 2017 towards petition No. 99 of 2017, which is reproduced as " if any International SMS Traffic is terminated from the Company to ICL Network in terms of A2P & P2P based on CLI / GTs or as well as on content, such SMS Traffic shall be charged at the rate of Rs. 5/- per SMS, the CDR reports furnished by ICL shall be considered final & conclusive". Whereas, the Company terminates only Domestic SMS Traffic at the network of ICL. The Company has replied suitably to the above demand letter of ICL vide its letter dated 06.04.2018 and also to the miscellaneous application filed by ICL before TDSAT, but the matter is not yet concluded and it is pending for hearing and the matter is in due course for final arguments. However, the Company is confident that no liability would accrue in future with respect to demand of Rs. 527,626,826, however the same is considered as contingent liability .
- l** The Company (QTL) and Indus Towers Ltd (Indus) had entered into an arrangement/ agreement for Passive Telecom Infrastructure Services, wherein Indus was required to provide Passive Telecom Infrastructure Services under the said agreement. Dispute arisen between the parties, as the Company has closed its GSM operations w. e. f. February 15, 2017. Therefore, Indus has filed a Petition under section 9 of the Arbitration and Conciliation Act, 1996 ("the Act") seeking security i.e. Total Claim Amount of Rs. 69,70,32,866 bifurcated into Exit Penalty of Rs. 48,85,84,087 and disputed Invoices of Rs. 20,84,48,779. Consequently, Delhi High Court passed an order on the captioned petition and the applications will be placed before the learned Arbitrator and the learned Arbitrator will treat the petition as an application under Section 17 of the Arbitration and Conciliation Act, 1996. Thereafter, arbitration award was passed against QTL on dated 19-Jul-2019 amounting to Rs. 13,09,51,238 along with interest rate @ 15.40% p.a. w.e.f. 08-Mar-17 till realisation as well as arbitration cost of Rs. 37,50,000. Indus has filed a section 34 petition against the arbitration award and QTL has also filed Section 34 petition against the arbitration award and same is listed on 16 August 2021 for Arguments at Delhi High Court. Further, Indus has filed Section 36 petition for the enforcement of arbitration award at Delhi High Court same is listed on 12 August 2021 for arguments. So the Company has considered contingent liability to the tune of Rs. 134,701,238.
- m** The Company (QTL) and ATC Telecom Infrastructure Ltd (formerly VIOM) had entered into an arrangement/ agreement for Passive Telecom Infrastructure Services, wherein ATC was required to provide Passive Telecom Infrastructure Services under the said agreement. Dispute arisen between both the parties, as the Company has closed its GSM operations w.e.f. February 15, 2017.

Therefore, ATC has filed a case under section 9 of the Arbitration and Conciliation Act, 1996 ("the Act") at Delhi High Court on May 11, 2017 for a total claim of Rs. 87,87,00,000 bifurcated into Exit Penalty of Rs. 66,83,00,00 and disputed Invoices of Rs. 21,00,00,000. It is pertinent to mention herein that as per Clause No 2.4 of supplementary Agreement dated September 12, 2013, if the Company does not pay the dues, Videocon Telecommunications Limited (VTL) has

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

to pay the same on behalf of the Company. Consequently, Delhi High Court has passed an order directing VTL not to withdraw the sum to the extent of Rs. 17,57,00,000 from the Escrow Account. The matter has been disposed off on 07-Mar'2018 and arbitration award for Rs. 104,63,40,334 has been passed against QTL on dated 25-May-2019. QTL has filed Section 34 petition against the arbitration award, next date of hearing is 14-Jul-21 for arguments. Additionally ATC has also filed Section 36 petition for the enforcement of award at Delhi High Court and matter was listed on 12-April-2021 for arguments, but ATC filed withdrawal application to withdraw the petition under Section 36 and as per court order dated 26-Feb-2021 the petition under section 36 is dismissed and the hearing scheduled on 12-April-2021 stands cancelled. However the arbitration award amounting to Rs. 1,046,340,334 has been considered as contingent liability

- n American Tower Corporation (ATC) has filed a petition before Punjab & Haryana Court in April 2018 under Arbitration and Conciliation Act, 1996('The Act') under Section 11 against QTL for appointment of Arbitrators for Tower Infrastructure dues amounting to Rs. 45,382,374 as per agreement, matter is not listed yet and next date of hearing is 16 July'2021 for arguments before Punjab & Haryana High Court and the same is considered as contingent liability.
  - o TCL vs QTL petition no. 95 of 2017 was filed on 20.09.2017 in Hon'ble TDSAT in respect of downgrade of bandwidth service charges amounting to Rs. 22,900,000. The next hearing of case was held on 22.05.2018 and after that the PO No. 6700000006 dated 08.07.2016 was issued to paramount for the conditions superseding the terms of the customer order form (COF), there by the terms and conditions of said PO shall prevail, the 12 month contract was applicable only from the date of the implementation of bandwidth up to 5000 E1 and an additional bandwidth was enhanced to 7020 E1, but thereafter upon revision of price the same was downgraded by the Company and Terminated to 3020 E1. The PO did not state any contract period for the up-gradation thereafter. So in lieu of the same, the TCL had filed the case before the TDSAT for recovery of outstanding amount claiming to have lock-in-period of another one year till April 2018 as per the agreement executed. Case is listed for hearing before TDSAT in due course and above amount is considered as contingent liability.
  - p The Ascend Telecom Infrastructure (ATI) and QTL had entered into an arrangement/ agreement for Passive Telecom Infrastructure Services, wherein Ascend was required to provide Passive Telecom Infrastructure Services under the said agreement. Dispute arisen between both the parties as the Company (QTL) has closed its GSM operations w. e. f. February 15, 2017. Therefore, Ascend has filed a case for outstanding exit penalty before NCLT Mumbai on 12-Feb' 2020, so contingent liability to the tune of Rs. 73,37,222/- has been considered and the next date of hearing is 19-Jul-2021.
  - q Kinetics Infotel (P) Ltd entered into an arrangement/ agreement with QTL for FTTH Roll Out in Amritsar and dispute aroused between the parties regarding the services. Thereafter, Kinetics Infotel filed a case before NCLT Mumbai on dated 17 Feb'2020 for disputed amount of Rs. 2,216,894 and next date of hearing is 08-July-2021 so the same is considered as contingent liability .
  - r While Assessing the Income Tax Return for the AY 17-18 , assessing officer had disallowed the amount of Rs 15,33,16,336 being Loss/(Gain) on Sale /Discard of fixed Assets /CWIP & added back the same in tax computation and imposed penalty u/s 270 A to the tune of 50 % of tax amount i.e Rs 2,65,29,859. As the company has already filed an appeal before Commissioner Income Tax (Appeals) against said impugned assessment order and Company is confident that no such liability shall arise in future. However, contingent liability to the tune of Rs 2,65,29,859 has been considered.
  - s The Company's pending litigations comprise of claims against the Company and proceedings pending with Tax Authorities / Statutory Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements.
  - t The Company periodically reviews all its long-term contracts to assess for any material foreseeable losses. Based on such review wherever applicable, the Company has made adequate provisions for these long-term contracts in the books of account as required under any applicable law/accounting standard.
  - u As at March 31, 2021 the Company did not have any outstanding for long-term derivative contracts.
- 42 The Company has incurred net loss of Rs. 2,959,375,788 during the year and accumulated losses as at March 31, 2021 amounting to Rs. 22,317,512,974, result into erosion of its net worth, these factors raise doubts about going concern status of the company. The management is confident of generating cash flows from continue business operations through increasing subscriber' base and ARPU as well as through restructuring of bank loans alongwith the support of other stakeholders. Hence, in view of the above, the financial statements have been prepared on a going concern basis.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 43 Secured Loans

- a As per the CDR Scheme approved on March 10, 2004 and subsequently approved on June 4, 2005, the Lenders had signed Master Restructuring Agreement ('MRA') for restructuring of their Debts and Security Trusteeship Agreement, whereby the Lenders had entered into an agreement and appointed IDBI Trusteeship Services Limited (herein after referred as "ITSL") as their custodian of security. On November 11, 2005, the charges were registered in favour of the ITSL for Rupee Term Loans, for providing Specific Credit Facility, for Working Capital Assistance and Zero percent Secured OFCDs. The same are secured by first pari passu charge on immovable properties of the Company situated at Kandivali (East), Mumbai and properties situated at Mohali & Jalandhar under equitable mortgage, first pari passu charge of hypothecation of movable properties of the Company including movable plant & machinery, machinery spares, tools & accessories and other movables including book debts by way of hypothecation, both present and future. Further, the same are also secured by assignment of all rights, title, benefits, claims and interest in, under the project documents, insurance policies, all statutory, government and regulatory approvals, permissions, exemptions and waivers on pari passu basis. Subsequently, pursuant to the reworked restructuring scheme approved under CDR mechanism on June 24, 2005, the Company had entered into amendatory Master Restructuring Agreement and amendatory Security Trusteeship Agreement ('STA') on March 9, 2006, whereby Centurion Bank of Punjab had also joined as one of the lenders and has agreed to appoint ITSL as their custodian for security and signed the STA in line with other lenders in consortium.

On the request of the Company, Corporate Debt Restructuring Cell ('CDR') vide their letter no CDR (JCP) No. 138 / 2009-10 ('CDR Letter') dated May 20, 2009 had approved the interim revised restructuring package. The revised restructuring package inter alia includes funding of interest from July 1, 2008 to October 31, 2009 on simple interest basis. Funded Interest on Term Loan ('FITL') would not carry any interest and the FITL shall be repaid in 16 equal monthly installments commencing from December 1, 2009, and has rescheduled the principle installments from August 1, 2008 to November 1, 2009 so as to be repayable from December 1, 2009 to March 1, 2011. Corporate Debt Restructuring ('CDR') cell vide their letter no. CDR (JCP) No. 563 / 2009-10 dated August 13, 2009 had approved a new restructuring scheme, which includes the induction of strategic investor / change of management and settlement proposal for Term Lenders. All the term lenders had given their acceptance to the new restructuring scheme. The new restructuring scheme was made effective from April 1, 2009 and accordingly an amount of Rs. 373,097,077 towards FITL from July 1, 2008 to March 31, 2009 has been considered as term loan.

In pursuant to the new restructuring scheme vide letter no. CDR (JCP) No 563 / 2009-10 dated August 13, 2009, The Company had allotted 15,984,543, 2 % Cumulative Redeemable Preference Shares of Rs. 100/- each aggregating to Rs. 1,598,454,300 on November 9, 2010 to Financial Institution / Banks in conversion of 25% of their outstanding loans as on April 01, 2009.

In compliance with the aforesaid new restructuring scheme dated August 13, 2009 the Company had repaid on July 06, 2010 and July 07, 2010 an amount of Rs. 1,598,454,522 being 25% of their outstanding loans as on April 01, 2009.

In compliance with the aforesaid new restructuring scheme dated August 13, 2009, the Company had allotted 31,969,088 Redeemable Secured Non-Convertible Debenture ('NCD') of Rs. 100 each aggregating to Rs. 3,196,908,800 on January 21, 2013 to Financial Institution/Banks in conversion of 50% of their outstanding loans as on April 01, 2009.

In terms of CDR Package dated August 13, 2009 stipulating the reduction of paid up capital and pursuant to the Order of the Hon'ble Bombay High Court dated July 4, 2014 under Section 100 to 105 of Companies Act, 1956, which was duly registered by the Registrar of Companies, Mumbai on Sept 3, 2014, the paid-up value of the 61,22,60,268 equity shares stood reduced from Rs. 10/- per share to Re. 1/- per share w.e.f. Sept 3, 2014; Consequently, paid up equity share capital also stood reduced from Rs. 612.26 Crore to Rs. 61.22 Crore and the Accumulated Losses were written-off to the extent of Rs. 551.03 Crore on Sept 3, 2014. The trading of Equity Shares with reduced face value of Re. 1/- per share has commenced on December 29, 2014 at BSE Ltd.

- b The above-mentioned security has been further extended to the amount of secured loans and working capital assistance, together with the interest, compound interest, additional interest, default interest, costs, charges, expenses and any other amount payable by the Company in relation thereto and in terms with MRA and STA entered into between the lenders and ITSL.

The Company has complied with all the terms and conditions of Corporate Debt Restructuring Scheme as approved by the CDR Cell letter dated August 13, 2009.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**44 Unsecured Loans**

- a On October 16, 2004, the Company issued 1,667,761 Zero Percent Non-Convertible Debentures ('NCDs') of Rs. 100/- each in lieu of interest accrued on term loans from a financial institution and a bank for the period April 1, 2003 to December 31, 2003. The 'NCD's earlier redeemable at par on March 31, 2014, then at par on March 31, 2016, and now redeemable at par on March 31, 2024 after repayment of the term loans as per CDR Schemes.
- b The Company under the terms of the agreement dated May 1, 2007 had taken convertible loan to facilitate expansion and development of businesses amounting to Rs. 499,499,886 from Infotel Digicomm Private Limited ('IDPL'). The convertible loan was repayable on demand with an option to convert the Loan into Equity Shares, subject to getting necessary approvals and subject to applicable pricing guidelines as per SEBI and other laws and regulations. On September 16, 2009 Infotel Digicomm Private Limited ('IDPL') had entered into an assignment agreement with Domebell Electronics India Private Limited ('DEIPL'), wherein IDPL had assigned the above convertible loan of Rs. 499,499,886 to DEIPL. On May, 2018 Domebell Electronics India Private Limited ('DEIPL') had entered into a Novation agreement with Hyundai Electronics India Limited ('HEIL'), wherein DEIPL had assigned the above convertible loan of Rs. 499,499,886 to HEIL. On November 1, 2019 Hyundai Electronics India Limited ('HEIL') had entered into a Novation agreement (effective from 01.04.2020) with Electroparts (India) Private Limited ('EIPL'), wherein HEIL had assigned the above convertible loan of Rs. 499,499,886 to EIPL. Again on June 1, 2020 Electroparts (India) Private Limited ('EIPL') had entered into a Novation agreement with Videocon Infinity Infrastructure Private limited ('VIPL') wherein EIPL had assigned the above convertible loan of Rs. 499,499,886 to VIPL. All the terms and conditions relating to the convertible loan remained the same. EIPL have agreed to waive off interest amounting to Rs. 4,994,999 from 01-Apr'20 to 31-May'20 and VIPL have agreed to waive off the interest from 01-June'20 to 31-Mar'21 amounting to Rs. 24,974,994. Therefore no provision for such interest has been provided in the books of accounts. Consequent to the addendum to the Novation agreement, the convertible loan from VIPL is now repayable after 14 years from the date of assignment agreement dated September 16, 2009.
- c The Company under the terms of the agreement dated May 1, 2007 had taken buyer's credit facility to facilitate funding of the telecom project amounting to Rs. 410,700,000 from Infotel Business Solutions Limited ('IBSL'). IBSL had the option to convert the loan including interest accrued into equity shares, subject to applicable pricing guidelines as per SEBI and other laws and regulations. On September 16, 2009 IBSL had entered into an assignment agreement with Domebell Electronics India Private Limited ('DEIPL'), wherein IBSL had assigned the above buyer's credit facility of Rs. 410,700,000 to DEIPL. On May, 2018 Domebell Electronics India Private Limited ('DEIPL') had entered into a Novation agreement with Hyundai Electronics India Limited ('HEIL'), wherein DEIPL had assigned the above convertible loan of Rs. 410,700,000 to HEIL. On November 1, 2019 Hyundai Electronics India Limited ('HEIL') had entered into a Novation agreement (effective from 01.04.2020) with Electroparts (India) Private Limited ('EIPL'), wherein HEIL had assigned the above convertible loan of Rs. 410,700,000 to EIPL. Again on June 1, 2020 Electroparts (India) Private Limited ('EIPL') had entered into a Novation agreement with Videocon Infinity Infrastructure Private limited ('VIPL') wherein EIPL had assigned the above convertible loan of Rs. 410,700,000 to VIPL. All the terms and conditions relating to the convertible loan remained the same. EIPL have agreed to waive off interest amounting to Rs. 4,107,000 from 01-Apr'20 to 31-May'20 and VIPL have agreed to waive off the interest from 01-June'20 to 31-Mar'21 amounting to Rs. 20,535,000. Therefore no provision for such interest has been provided in the books of accounts. Consequent to the addendum to the Novation agreement, the convertible loan from VIPL is now repayable after 14 years from the date of assignment agreement dated September 16, 2009.
- d The Company had taken an unsecured loan from Dombell Electronics India Private Limited on July 01, 2010 of Rs. 1,598,500,000 @ 8% per annum, the interest accrues at the end of each quarter. On May, 2018 Domebell Electronics India Private Limited ('DEIPL') had entered into a Novation agreement with Akai Consumer Electronics India Limited (ACEIL), wherein DEIPL had assigned the above unsecured loan to ACEIL. The lender has agreed to waive off the interest from April 1, 2020 to March 31, 2021 amounting to Rs 127,880,000. Therefore no provision for such interest has been provided in the books of account. The aforesaid unsecured loan is repayable on demand after 13 years from the commencement of the unsecured loan from the date of assignment agreement dated December 01, 2010.
- e During the FY 2016-17, the Company has issued 1,20,00,000 Unsecured Zero Coupon Compulsory Convertible Debentures of face value of Rs. 1,000/- each convertible into 12,00,00,000 2% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of face value of Rs. 100/- each against advance of Rs. 12,193,974,935/- received from M/s Videocon Telecommunications Limited to fund the entry fee for using GSM Technology and to support business operations for Punjab Service Area on the following terms and conditions:

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- Zero Coupon CCDs shall be converted into 2% NCRPS at par, after settlement of entire obligations under CDR. Since the entire obligations under CDR is to be settled/cleared by the year 2024 as per CDR letter dated August 13, 2009, accordingly, the conversion of Zero Coupon CCDs into 2% NCRPS shall not happen before the Settlement Date (hereinafter referred as "Settlement Date") i.e. April 1, 2025.
  - 2% NCRPS shall be redeemed in 5 yearly equal instalments payable on 31st March of each year, at par, as mutually agreed between parties and as approved by the Board and, subject to necessary approvals as may be required in accordance with the provisions of Section 55 of the Act, out of profits available or out of proceeds of fresh issue of shares made for the purpose of redemption or combination of both.
- f During the year 2017-18, the Company has issued 8,60,000 Unsecured Zero Coupon Compulsory Convertible Debentures of face value of Rs. 1,000/- each convertible into 86,00,000 2% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of face value of Rs. 100/- each against outstanding balance of M/s Videocon Telecommunications Limited on the following terms and conditions:
- Zero Coupon CCDs shall be converted into 2% NCRPS at par, after settlement of entire obligations under CDR. Since the entire obligations under CDR is to be settled/cleared by the year 2024 as per CDR letter dated August 13, 2009, accordingly, the conversion of Zero Coupon CCDs into 2% NCRPS shall not happen before the Settlement Date (hereinafter referred as "Settlement Date") i.e. April 1, 2025.
  - 2% NCRPS shall be redeemed in 5 yearly equal instalments payable on 31st March of each year, at par, as mutually agreed between parties and as approved by the Board and, subject to necessary approvals as may be required in accordance with the provisions of Section 55 of the Act, out of profits available or out of proceeds of fresh issue of shares made for the purpose of redemption or combination of both.

**45 Related Party Disclosures**

As required under IND-AS 24 on "Related Party Disclosures", the disclosure of transactions with related parties as defined in the Accounting Standard are given below:

**a) Name of Related Parties and its relationship:**

Name	Relationship
Quadrant Enterprises Private Limited	Entity for which the Company as an Associate
Company Secretary (CS) & Manager - Mr. Gourav Kapoor	Key Managerial Personnel (KMPs)
Chief Financial Officer (CFO) - Mr. Munish Bansal	

Note : Related party relationship is as identified by the Company and relied upon by the auditors.

**b) Transactions / Outstanding balances with Related Parties - Directors**

Particulars	2020-21	2019-20
Mr. Babu M. Panchal (ceased to exist as Director on 14-Feb'2020)	NIL	40,000
Mr. S K Sachdev (ceased to exist as Director on 29-Nov'2019)	NIL	20,000
Mr. Dinesh Kadam	55,000	50,000
Ms. Mitu Mehrootra Goel (ceased to exist as Director on 28-Aug'2020)	20,000	30,000
Mr. Pritesh G. Lahoti	55,000	15,000
Mr. Suneel B. Gollapalli (appointed w.e.f. 29-Nov'2019)	44,300	NIL
Ms. Anushka J. Vagal (appointed w.e.f. 20-Nov'2020)	10,000	NIL



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

b) Transactions / Outstanding balances with Related Parties - KMPs

Particulars	2020-21	2020-21	2019-20	2019-20
	CFO	CS	CFO	CS
	KMP	KMP	KMP	KMP
Short-term employee benefits	1,721,062	667,342	1,351,877	659,044
Performance linked incentive ('PLI')#	412,969	106,972	381,342	95,840
Post-employment benefit	Nil	Nil	Nil	Nil
Share-based payment	Nil	Nil	Nil	Nil
Dividend paid	Nil	Nil	Nil	Nil
Commission paid	Nil	Nil	Nil	Nil
Consideration received on exercise of options	Nil	Nil	Nil	Nil

# Value of PLI considered above represents incentive at actual performance level, provision of Rs. 519,941 and Rs. 477,182 has been recorded in the books towards PLI for the year ended March 31, 2021 and March 31, 2020 respectively. During the year ended March 31, 2021 and March 31, 2020, PLI of Rs. 519,941 and Rs. 477,182 respectively has been paid.

As the liabilities for the gratuity and compensated absences are provided on an actuarial basis, and calculated for the Company 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.

46 Financial Risk Management Objectives and Policies

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

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risk and credit risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities.

**Management of Liquidity Risk**

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company'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 Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Notes Nos.	Carrying amount	Less than 12 months	1 to 5 Years	Above 5 Years	Total
<b>As at March 31, 2021</b>						
Borrowings	19,23	15,292,689,448	-	15,535,475,986	-	15,535,475,986
Cumulative Redeemable Preference Shares	20	2,248,454,300	-	2,248,454,300	-	2,248,454,300
Trade payables	24	437,635,434	437,635,434	-	-	437,635,434
Lease Liabilities	5	200,422,424	51,912,328	76,346,700	72,163,396	200,422,424
Other liabilities	20,25	5,622,543,003	5,622,543,003	-	-	5,622,543,003
<b>As at March 31, 2020</b>						
Borrowings	19,23	14,639,950,818	3,256,365,606	15,535,475,986	-	18,791,841,592
Cumulative Redeemable Preference Shares	20	2,248,454,300	-	2,248,454,300	-	2,248,454,300
Trade payables	24	461,131,414	461,131,414	-	-	461,131,414
Lease Liabilities	5	254,912,290	53,658,314	201,253,975	92,322,609	347,234,899
Other liabilities	20,25	3,624,120,011	3,624,120,011	-	-	3,624,120,011

**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, FVTOCI investments.

The sensitivity analyses in the following sections relate to the position as at 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020.

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
<b>1. INTEREST RATE RISK</b>		
<p>Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.</p> <p>a) Company has Fixed deposits with Banks amounting to Rs. 131,937,455 as at March 31<sup>st</sup>, 2021 (Rs. 120,240,897 as at March 31<sup>st</sup>, 2020). Interest Income earned on fixed deposit for year ended March 31<sup>st</sup>, 2021 is Rs. 8,353,239 (Rs. 9,398,229 for the year ended March 31<sup>st</sup>, 2020).</p> <p>b) Company has Borrowing from Banks amounting to Rs. 3,199,113,410 as at March 31<sup>st</sup>, 2021 (Rs. 3,256,365,606 as at March 31<sup>st</sup>, 2020). Interest Expenses on such borrowings for the year ended March 31<sup>st</sup>, 2021 is Rs. 271,381,263 (Rs. 281,296,263 for the year ended March 31<sup>st</sup>, 2020).</p>	<p>In order to manage its interest rate risk, Company diversifies its portfolio in accordance with the risk management policies.</p>	<p>As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 1% change in interest rates.</p> <p>a) A 1% increase in interest rates would have led to approximately an additional Rs. 0.11 Cr gain for year ended March 31<sup>st</sup>, 2021 (Rs. 0.12 Cr gain for year ended March 31<sup>st</sup> 2020) in Interest income. A 1% decrease in interest rates would have led to an equal but opposite effect.</p> <p>b) A 1% increase in interest rates would have led to approximately an additional Rs. 3.19 Cr loss for year ended March 31<sup>st</sup>, 2021 (Rs. 3.26 Cr loss for year ended March 31<sup>st</sup> 2020) in Interest expense. A 1% decrease in interest rates would have led to an equal but opposite effect.</p>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**Credit Risk**

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

**Trade Receivables**

Customer credit risk is managed by each business unit subject to the Company 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 which are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. As at 31st March 2021, the Company had top10 customers (As at 31<sup>st</sup> March 2020: top 10 customers) that owed the Company more than INR 25.93 Cr (As at 31<sup>st</sup> March 2020: 35.26 Cr) and accounted for approximately 51.77 % (As at 31<sup>st</sup> March 2020: 60.16%) 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. The Company does not hold collateral as security. The Company 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 Company’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 Company’s maximum exposure to credit risk for the components of the balance sheet at 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2020 is the carrying amounts as illustrated in Note 11.

**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 Company’s capital management is to maximize the shareholder value.

Particulars	31/Mar/2021 INR	31/Mar/2020 INR
Borrowings (Note No. 19 & 23)	15,292,689,448	14,639,950,818
Cumulative Redeemable Preference Shares (Note No. 20)	2,248,454,300	2,248,454,300
Less : Cash and Cash Equivalents (Note No. 11)	(16,252,594)	(17,029,692)
<b>Total Debt</b>	<b>17,524,891,154</b>	<b>16,871,375,426</b>
Equity	(21,636,686,198)	(18,677,310,411)
<b>Total Capital</b>	<b>(21,636,686,198)</b>	<b>(18,677,310,411)</b>
<b>Capital and Total Debt</b>	<b>(4,111,795,044)</b>	<b>(1,805,934,985)</b>
<b>Gearing ratio</b>	<b>-426.21%</b>	<b>-934.22%</b>

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## 47 Financial Instruments by Category

Particulars	Level	Mar-21			Mar-20		
		FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>1) Financial Assets</b>							
I) Trade Receivables (Note No. 10)	3	-	-	419,543,913	-	-	586,006,912
II) Cash and Cash Equivalents (Note No. 11)	1	-	-	16,252,594	-	-	17,029,692
III) Other Bank Balances (Note No. 12)	3	-	-	131,860,551	-	-	153,725,778
IV) Security Deposit and Advances (Note No. 13)	3	-	-	103,434,067	-	-	101,618,310
<b>1) Total Financial Assets</b>		-	-	<b>671,091,125</b>	-	-	<b>858,380,692</b>
<b>2) Financial liabilities</b>							
I) Borrowings							
A) From Banks (Note No. 23)	1	-	-	96,403,746	-	-	173,655,942
B) From Bonds & Debentures (Note No. 19 & 23)	3	-	-	12,687,585,816	-	-	11,957,594,990
C) Others (Note No. 19)	3	-	-	2,508,699,886	-	-	2,508,699,886
II) Cumulative Redeemable Preference Shares (Note No. 20)	3	-	-	2,248,454,300	-	-	2,248,454,300
III) Trade Payables (Note No. 24)	3	-	-	437,635,434	-	-	461,131,414
IV) Lease Liabilities (Note No. 5)	3	-	-	200,422,424	-	-	254,912,290
V) Other Liabilities (Note No. 20 & 25)	3	-	-	5,622,543,003	-	-	3,624,120,011
<b>Total Financial Liabilities</b>		-	-	<b>23,801,744,609</b>	-	-	<b>21,228,568,833</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.

## 48 Tax Reconciliation

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Net Profit as per Profit and Loss Account (before tax)	(2,961,531,632)	(465,237,494)
Current Tax rate	28.60%	28.60%
Current Tax	Nil	Nil
<b>Adjustment:</b>		
Provision for unascertained liabilities	Nil	Nil
Other Adjustments	(18,013,313)	(20,486,407)
The amount of expenditure relatable income u/s 10	Nil	Nil
Ind AS Impact	898,996,317	889,594,554
<b>Tax Provision as per Books</b>	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**49 Foreign Currency Exposure**

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

The Company 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 Company’s strategy, which provides principles on the use of such forward contracts consistent with Company’s Risk Management Policy. The Company does not use forward contracts for speculative purposes.

The carrying amounts of the Company’s foreign currency denominated monetary assets and monetary liabilities at the end of the reporting year are as follows:

Particulars	Currency	As at 31.03.2021		As at 31.03.2020	
		Foreign Currency	Equivalent Rs.	Foreign Currency	Equivalent Rs.
Trade Payables	US\$ & EUR	70,061	5,245,659	20,947	1,269,329
Advances given to Suppliers	US\$	-	-	421,049	31,886,117
<b>Total</b>		<b>70,061</b>	<b>5,245,660</b>	<b>441,996</b>	<b>33,155,446</b>

**Foreign currency sensitivity analysis**

The following details are demonstrate the Company’s sensitivity to a 5% increase and decrease in the INR 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 31.03.2021		As at 31.03.2020	
	INR strengthens by 5%	INR weakens by 5%	INR strengthens by 5%	INR weakens by 5%
<b>USD</b>	-	-	<b>(1,514,987)</b>	<b>1,514,987</b>

**50** TDSAT vide its order dated 12-June’2020 decided ISP License Fee issue in favour of the Company, based upon the judgment, Company has filed application for refund amounting to Rs. 79,175,847 on 15-June’2020 pertaining to the period from Jan’2015 to June’2015. Refund order has yet to be received.

**51 Segmental Reporting**

The Company’s operating segments are established on the basis of those components of the Company that are evaluated regularly by the Chief Operating Officer ( the ‘Chief Operating Decision Maker’ as defined in Ind AS 108 – ‘Operating Segments’) in deciding how to allocate resources and in assessing performance. The primary reporting of the Company has been performed on the basis of business segments. The Company has only one business segment, which is provision of unified telephony services. Accordingly, the amounts appearing in these financial statements relate to this primary business segment. Further, the Company provides services only in the State of Punjab (including Chandigarh and Panchkula) and, accordingly, no disclosures are required under secondary segment reporting.

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

**53** As per master circular on Import of Goods and Services vide ref no. RBI/2015-16/82 Master Circular No.13/2015-16, Dated July 01, 2015(Amended up to November 27, 2015) remittances against imports should be completed not later than six months from the date of shipment. Non payment against import from nine parties beyond stipulated time amounting to Rs. 47.49 Lakhs as at March 31, 2021.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

54 In absence of any taxable income, no provision for the current tax has been made. Also, in view of losses and unabsorbed depreciation, considering the grounds of prudence, deferred tax assets is recognized to the extent of deferred tax liabilities and balance deferred tax assets have not been recognized in the books of accounts.

55 The Company had filed application for Compounding in respect offences under various sections of the Companies Act, 1956 before the Hon'ble Company Law Board.

The Company was not able to file the particulars of satisfaction of charge due to non-receipt of NOC for the purpose of satisfaction of charge, hence, the offence was not compounded by the Hon'ble Company Law Board Bench in its hearing held on 17th May, 2016 and dismissed the Compounding Application filed by the Company, its present and former Directors for Compounding of Offence under Section 138(1) of the Companies Act, 1956 vide its order dated 18th May, 2016. The Company is in process of obtaining NOC from the respective lender for the satisfaction of charge and will file the compounding application again after the registration of satisfaction of the charge.

#### 56 Debenture Redemption Reserve

Pursuant to the CDR scheme on October 16, 2004, the Company had issued unsecured Zero Percent Non-Convertible Debentures ('NCD') (Erstwhile OFCDs) aggregating to Rs. 166,776,100. Pursuant to the new restructuring scheme dated August 13th, 2009 the Company had allotted secured Non-Convertible Debentures ('NCD') for Rs. 3,196,909,043 to Financial institution and Banks on January 21, 2013, equivalent to 50% of their outstanding loans as on April 01,2009. As per section 71(4) of the Companies Act, 2013, a Debenture Redemption Reserve ('DRR') is to be created to which adequate amounts are to be credited out of the profits of each year until such debentures are redeemed.

During the year ended March 31, 2021, the Company has incurred loss of Rs. 2,959,375,788/- due to which the Company has not created the 'DRR'.

57 The Company has carried out Impairment Test on its Fixed Assets as on March 31, 2021 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" issued by ICAI.

58 The Company continues to consider the impact of COVID-19 pandemic in assessing the recoverability of carrying value of its assets. For this purpose company considered internal and external sources of information up to the date of approval of these financial results and based upon the same the company expects to fully recover the carrying amounts of its assets and there is no material impact in current quarter and year ended March 31, 2021. Further, the company will continue to closely monitor any material changes to future economic conditions.

59 Figures for the previous year has been regrouped/rearranged wherever necessary to confirm current year classification / presentation

#### As Per our report of even date

**For SGN & CO.**  
Chartered Accountants  
Firm Registration No. 134565W

**Mohan Kheria**  
Partner  
Membership No. 543059  
Place : Darbhanga

Date : 10th June, 2021

**For and on behalf of the Board of Directors**  
of **Quadrant Televentures Limited**

**Dinesh Ashokrao Kadam**  
Director  
(DIN No. 08282276)  
Place : Aurangabad

**Gourav Kapoor**  
Company Secretary & Manager  
Membership No : A32817  
Place : Mohali

**Pritesh Lahoti**  
Director  
(DIN No. 08618393)  
Place : Aurangabad

**Munish Bansal**  
Chief Financial Officer  
Place : Mohali



**Quadrant Televentures Limited**

Regd. Office : Autocars Compound, Adalat Road, Aurangabad - 431005, Maharashtra