United Telecoms Limited
Regd. off & Works : 18A/19, Doddanekundi Industrial Area
Mahadevapura Post, Bangalore - 560 048.
Phone : 28524050 / 28524088 / 28524032, Fax : 91-80-28524191 / 28524073
CIN:U32301KA1986PLC007800 email:info@utlindia.com web : www.utlindia.com

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022

To,
The Members
United Telecoms Limited
Bangalore, India

Your Directors have pleasure in presenting their 38th Annual Report on the business and operations of the Company and the audited Statement of Accounts for the Financial Year ended March 31, 2022

1. Financial highlights (Standalone and Consolidated)

During the year under review, the financial performance of your Company is as under:

INR in lacs

Particulars	Standalone	
	2021-22	**2020-21**
Total Income	10,242.78	19,326.01
Operating Expenses	7,023.32	15,813.71
Earnings before Interest Depreciation, Amortization and Tax (EBIDTA)	**3,219.46**	**3,512.30**
Less: Finance cost	2,012.50	2,363.42
Depreciation & Amortization	632.67	1,032.77
Exceptional items:		
a) Advance written off	-	-
b) Investment written off		
Profit/Loss before Taxation and exceptional items	**574.29**	**116.12**
Less: Extraordinary Items	-	204.42
Profit/Loss before Taxation	**574.29**	**320.54**
Less: Tax Expenses:		
a) Current Tax	132.05	64.50
b) Prior Period Tax	-	-
c) Mat Credit	-	-
d) Deferred Tax	-	-
Profit / (Loss) after Taxation	**442.24**	**256.04**

On the basis of consolidated financial statements, the performance of the Group appears as follows:

INR in lacs

Particulars	Consolidated	
	2021-22	**2020-21**
Total Income	10,939.27	20,146.85
Operating Expenses	7,363.79	16,499.91
Earnings before Interest Depreciation, Amortization	**3,575.48**	**3,646.94**

and Tax (EBIDTA)		
Less: Finance cost	2,197.57	2,554.49
Less: Depreciation & Amortization	759.23	1,271.90
Profit/ Loss before Exceptional items	**618.68**	**(179.44)**
Less: Exceptional Items	-	(204.42)
Profit before Tax Expense and share in Profit/ (Loss) of Associate	**618.68**	**24.98**
Share in Profit / (loss) of associates	2,422.34	2,238.59
Profit/(Loss) before tax	**3,041.02**	**2,263.57**
Less: Tax Expenses (i) Current Tax	132.05	64.50
(ii) Prior Period Tax	-	3.76
(iii) Deferred Tax	19.93	7.22
(iv) MAT credit	-	-
Profit for the year	**2,889.04**	**2,188.09**
Share of Parent	2,912.98	2,235.76
Share of Non-controlling Interest	(23.94)	(47.67)
Other Comprehensive Income: Items not to be reclassified to profit or loss in subsequent periods - Remeasurements of the defined benefit plans - Fair Valuation of Equity instrument - Incomes tax relating to items that will not be reclassified to profit or loss	 0.03 9.83 (0.08)	 7.44 9.62 -
Other comprehensive Income for the year, net of tax	**9.78**	**17.05**
Total Comprehensive Income for the year net of tax	**2,898.83**	**2,205.14**
Share of Parent	**9.73**	**16.59**
Share of Non-controlling Interest	**0.05**	**0.46**

2. State of Company's affairs and future outlook

The Company was incorporated on 7th March, 1984, and operating under the name of United Telecoms Limited Bearing Corporate Identification Number (CIN) - U32301KA1986PLC007800. The Company is doing business in optical transmission, exchange, access, mobile phones, telecommunications software, energy meters and stabilisers.

<u>Standalone Operations: -</u>

Your Company reported a drop in turnover to INR 10,242.78 lakhs in the current year 2021-22 as against INR 19,326.01 lakhs during the previous year 2020-21 because of impact of Covid wherein the Company has completed existing orders and not been able to procure any new order and a rise in profit was noted during the reporting period to INR 442.24 lakhs as against INR 256.04 lakhs during the previous year 2021-22 due to reduction in finance cost.

<u>Consolidated Operations:</u>

In accordance with the Companies Act, 2013 and as per Accounting Standard AS – 21, "Consolidated Financial Statements" read with AS–23 on Accounting for Investments in Associates issued by the Institute of Chartered Accountants of India, the Audited

Consolidated Financial Statement together with Auditor's Report is annexed herewith. The Consolidated Revenue including other income stood at INR 10,939.27 lakhs as compared to the previous year's total Revenue of INR 20,146.85 lakhs.

Both the Standalone and Consolidated Financial Statements of the Company for the year ended 31st March, 2022, are annexed to this Report.

3. Company's website

Your Company's website, www.utlindia.com, was designed keeping in mind the customers' needs. The website contains a host of information, including corporate profile, business, core product details and details about its technology division, etc.

4. Annual Return

The website of your Company is under construction. The Annual Return of the Company for the year ended 31st March 2022 will soon be available under the head About Us>>Shareholder's information.

5. Change in the nature of business

There has been no material change in the nature of business of Company during the year under consideration.

6. Dividend

Your Directors do not propose any Dividend for the Financial Year under consideration.

7. Share capital

The Authorized Share Capital of the Company as on 31st March 2022 stood at Rs. 11,50,00,000/-. The Paid-up Share Capital of the Company as on 31st March 2022 stood at Rs. 11,15,57,180/-. The Company increased authorized capital from11,50,00,000 to 10,00,00,00,000, the company is in process of filing required E-form for increase of authorized capital. There is no change in the Paid-up Share Capital of the Company during the year.

8. Transfer to Reserves

Transfer to Reserves Statement on Standalone Basis:

The net movement in the major reserves of the Company on standalone basis for the financial year 2021-22 and the previous year are as follows:

INR in lacs

Particulars	Standalone	
	2021-22	2020-21
Securities premium reserve		
Opening Balance	12,885.84	12,885.84
Add: Addition during the year	-	-
Closing Balance	**12,885.84**	**12,885.84**
General Reserve		
Balance as per last Balance Sheet	25.00	25.00

Other Comprehensive Income [FVTOCI] Reserve:		
Balance as per last Balance Sheet	35.94	26.32
[Less]/ Add: [Debited]/ Credited during the year	9.56	9.62
	45.49	**35.94**
Capital Reserve		
Balance as per last Balance Sheet	112.78	112.78
Retained Earnings:		
Opening Balance	83,859.90	83,879.58
Add: Profit for the year	442.24	256.04
Less: Adjustment	-	(275.72)
	84,302.15	**83,859.90**
Re-measurement gains/ [losses] on defined benefit plans [net of tax]	-	-
Closing Balance	**84,302.15**	**83,859.90**
Impairment Reserve	-	-

<u>Transfer to Reserves Statement on Consolidated Basis:</u>

The net movement in the major reserves of the Company on Consolidated basis for financial year 2021-22 and the previous year are as follows:-

INR in lacs

Particulars	**Consolidated**	
	2021-22	**2020-21**
Securities premium reserve		
Opening Balance	12,885.84	12,885.84
Add: Addition during the year	-	-
Closing Balance	**12,885.84**	**12,885.84**
General Reserve		
Balance as per last Balance Sheet	25.00	25.00
Other Comprehensive Income [FVTOCI] Reserve:		
Balance as per last Balance Sheet	70.86	82.13
Opening balance impact	(5.16)	(27.86)
[Less]/ Add: [Debited]/ Credited during the year	9.73	16.59
	75.43	**70.86**
Capital Reserve		
Balance as per last Balance Sheet	112.78	112.78
Retained Earnings:		
Opening Balance	1,29,030.74	1,23,908.66
Less: Opening balance impact	1,462.37	2,886.33

Add: Profit for the year	490.64	(2.83)
Add: Profit/Loss on Associates share	2,422.34	2,238.59
Closing Balance	**1,30,481.35**	**1,29,030.74**
Impairment Reserve	-	-

9. Directors and Key Managerial Personnel

Details of directors retiring by rotation in the ensuing general meeting

Dr. Chalasani Sandhya Rao (DIN 03207351), Director, is liable to retire by rotation, and being eligible offers himself/herself for reappointment.

Details of Key Managerial Personnel (KMPs) appointed or resigned during the year

The Board at its meeting held on 18th March, 2021 appointed Mrs. Krantipriya Chakravarty Mitra (DIN 02263590) as the Whole-Time Director of the Company w.e.f. 1st April, 2021 which was also confirmed by the Members at their Adjourned Extraordinary General Meeting held on Friday, 13th August, 2021.

Mrs. Dipika Todi resigned from the post of Company Secretary w.e.f. 24th February 2022.

Dr. Padmavathi Potluri and Mr. Nagesh Munirathnam Ramineni continued in their office as Managing Director and CFO respectively.

Details of changes in Directors or KMPs after the closure of financial year is as follows:

After the closure of the financial year, your Board of Directors have appointed Mrs. Payal Kumari as the Company Secretary, which was recommended by Audit Committee in its meeting held on 20th July 2022 and later appointed by Board of Directors in their meeting held on 20th July 2022.

Statement on declaration given by an Independent director under sub-section (6) of Section 149 of the Companies Act, 2013

During the year under review, the Company has appointed Mr. Vijay Jain (DIN 05244195) Independent Director under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and declarations have been obtained from him.

10. Managerial Remuneration

Your Company paid remuneration to Dr. Potluri Padmavathi and Mrs. Krantipriya Chakravarty Mitra, during the financial year 2021-22.

The details of the remuneration paid to them is disclosed in the Financial Statement of the Company.

11. Number of meetings of Board of Directors

For the Financial Year 2021-22, the Company held 5 (five) meetings of the Board of Directors of the Company.

Sl. No.	Date of Board Meeting	Number of Directors associated	Number of Directors attended
1	23.06.2021	9	8
2	14.07.2021	10	10
3	20.08.2021	10	7
4	30.10.2021	10	10
5	28.02.2022	10	9

12. Audit Committee

Our Audit Committee comprises of the following Directors:

- Mr. Venkateswarlu Mungala, Chairman and Non-*Executive Independent Director*
- Mr. Anil Kumar Vellanki, Non-*Executive Independent Director* (inducted into the committee on 23rd June 2021)
- Mrs. Komali Cherukuri, Non-Executive *Independent Director*
- Dr. Mrs. Padmavathi Potluri, Managing *Director*

During the Financial Year, our Committee met Three (3) Times and all the recommendations made by the Audit Committee were accepted by the Board.

Sl. No.	Date of Audit Committee Meeting	Number of Directors associated	Number of Directors attended
1	23.06.2021	3	3
2	30.10.2021	4	4
3	28.02.2022	4	4

13. Nomination and Remuneration Committee

As per Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee comprises of following Directors i.e.:

- Mr. Anil Kumar Vellanki, Chairperson and Non-Executive Independent Director
- Mrs. Komali Cherukuri, Non-Executive Independent Director
- Dr. Potluri Rajmohan Rao, Non-Executive Director
- Dr. Mrs. Padmavathi Potluri, Managing Director

During the Financial Year, our Committee met 1 (one) times.

Sl. No.	Date of NRC Committee Meeting	Number of Directors associated	Number of Directors attended
1	23.06.2021	4	4

14. Details of Subsidiary and Associates Companies

As on March 31, 2022, the Company have 7 (eleven) Subsidiaries and 9 (Nine) Associate Companies. The details of these Companies are provided in Form AOC 1 as '*Annexure A*' to this Report. The Company does not have any Joint Venture Company.

15. Particulars of contracts or arrangements with related parties

None of the transactions with any of related parties were in conflict with the Company's interest. The Company's major related party transactions are generally with its Associates/Subsidiaries. The related party transactions are entered into based on considerations of various business exigencies such as synergy in operations, Company's long-term strategy for investments, optimization of market share, profitability, liquidity, capital resources of subsidiaries, etc.

During the year under review, the contracts or arrangements with related parties referred to in section 188 of Companies Act, 2013 have been on arm's length and in ordinary course of business. Particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement forms part of this Report as '*Annexure B*'.

16. Statutory Auditors

As per the provisions of Section 139 of the Companies Act, 2013, M/s P.B. Shetty & Co., Chartered Accountants, Mumbai continued as Statutory Auditors of the Company during the year under review.

M/s P. B. Shetty & Co., Chartered Accountants, Mumbai, has furnished Statutory Audit Report for the Financial Year ended 31st March, 2022. A copy of the Report is annexed to the Board Report.

17. Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Auditors in their Reports:

The Statutory Auditors have not given any qualification. However, they have expressed their opinion as 'Emphasis of Matter' in their report for the year ended 31st March, 2022 which have been addressed in the corresponding Notes to accounts.

18. Internal Audit

Your Company carries out extensive audits and ensures adherence to all policies and procedures as well as compliance with the external regulatory guidelines. It also evaluates the adequacy of internal controls and concurrently audits the Company's activities to mitigate operational risks. Independence of audit functions is ensured by way of its direct reporting relationship to the Audit Committee of the Board of Directors. Periodical comparisons of actual and budgeted costs and performance measurement are undertaken to improve performances.

19. Secretarial Audit Report

Provisions of Section 204 read with Section 134(3) of the Act, mandates to obtain Secretarial Audit Report from Practicing Company Secretary. M/s. Krishnakumar Bhat & Associates, Practicing Company Secretaries had been appointed to carry on the Secretarial Audit and provide a Secretarial Audit Report for the financial year 2021-22.

Secretarial Audit Report is issued by M/s. Krishnakumar Bhat & Associates, Practicing Company Secretaries in Form MR-3 for the financial year 2021-22 which forms part of this report as '*Annexure C*'.

There were no qualifications provided by the Secretarial auditor in its report for the year ended 31st March 2022. However, they have listed certain observations:

1. The company's Register of Members could not be produced before us.

2. *Certain e-forms were filed after the due date.*
3. *The Company has not filed reconciliation of Share Capital Audit report in form PAS-6.*
4. *The Company has increased its Authorised Share Capital from INR 11,50,00,000/- to INR 1,000 crore dated 13-08-2021 and company is yet to file form SH-7 for Increase of Authorised share capital, during the year.*
5. *Internal Audit report has not been produced before us.*
6. *Company has not submitted Cost Audit Report for the FY 2020-21*

Management's response - The management took note of the above observations and will take remedial steps to rectify these in future.

20. Cost Records and Audit

As required under Section 148(1) of the Companies Act, 2013, the Company maintains its cost records as specified by the Central Government which is being audited on a regular basis.

21. Risk Management

The Company regularly undertakes Risk Management of its operations and periodically reviews the risks and takes steps to control and mitigate the same.

22. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

There is no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year under consideration of the Company and the date of the report.

23. Details of significant and material orders passed by the regulators / courts / tribunals impacting the going concern status and the Company's operations in future

There are no significant and material orders passed by Tribunals/Courts/regulators during the year under report which will impact the going concern status of the Company in future.

24. Public Deposits

Your Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposits under Section 73 and Section 74 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014, was outstanding as on the date of the Balance Sheet.

25. Particulars of loans, guarantees or investments under section 186

The Company is engaged in providing infrastructural facilities specified in Schedule VI of the Companies Act, 2013. Hence the provisions of Section 186 are not applicable.

26. Fraud Reporting

The Auditors of the Company have not reported any frauds to the Board of Directors under Section 143(12) of the Companies Act, 2013, including rules made thereunder.

27. Research and Development

The Department of Scientific and Industrial Research (DSIR), Government of India has recognized the R & D wing of the Company. As a result of R & D activities the Company is in process of developing products besides improving the processes and reduction of costs.

The objective of R & D Wing is to develop products for Telecom Network that will enable the Company to provide state of art products and services thereby achieve customer satisfaction.

The expenditure on R & D during the year under review was as under:

(INR in Lacs)

S. No	Particulars	2021-22	2020-21
1	Retainer and consultancy	39.79	28.63
2	Materials consumed	17.43	98.57
3	Miscellaneous Expenses	-	2.13
4	Salary, Wages and Bonus	138.70	260.29
5	Development and Maintenance	-	2.78
6	EMR Expenses	-	3.03
7	Software Consultancy	48.84	120.41
Total		**244.76**	**516.06**

28. Particulars of employees

There are no employees who are in receipt of remuneration required to be furnished under Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) & (3) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

29. Human Resource Management

Your Company is continuously striving to create a conducive work environment to your employees who are the core asset of the organization that encourages innovation and superior performance. Your Company has also set up a scalable recruitment and Human Resources management process, which enables your Company to attract and retain high caliber employees.

30. Conservation of energy, technology absorption, foreign exchange earnings and outgo

(A) Conservation of energy

(i) the steps taken or impact on conservation of energy: NIL
(ii) the steps taken by the company for utilising alternate sources of energy: NIL
(iii) the capital investment on energy conservation equipments: NIL

(B) Technology absorption

(iv) the efforts made towards technology absorption: NIL
(v) the benefits derived like product improvement, cost reduction, product development or import substitution: NIL
(vi) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): NIL
(vii) the expenditure incurred on Research and Development: NIL

(C) Foreign exchange earnings and outgo

(INR in lakhs)

Particulars	2021-22	2020-21
Total Foreign Exchange received (F.O.B. value of Export)	**-**	**-**
Total Foreign Exchange used:		
1. Raw materials	62.99	195.80
2. Consumable Stores	-	-
3. Capital Goods	-	-
4. Foreign Travels	-	-
5. Others	-	-

31. Corporate Social Responsibility

Based on the profitability criteria for the year, Corporate Social responsibility requirements under section 135 of the Companies Act, 2013 are applicable to the Company for the year under review. Annual report on Corporate Social Responsibilities (CSR) activities has been included as *'Annexure D'* to this Board Report.

32. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a Policy for Prevention of Sexual Harassment in accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complaint during the year 2021-22.

33. Directors Responsibility Statement

In accordance with the provisions of Section 134(5) read with Section 134 (3)(c) of the Companies Act 2013, your directors confirm that:

- In the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit /loss of the Company for that period;

- 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;

- the Directors had prepared the annual accounts on a going concern basis;

- 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.

The Board has considered and made necessary disclosures required to be made in the Board Report pursuant to section 134 of the Companies Act, 2013 read together with the rules made thereunder.

34. Secretarial Standards

Your Board of Directors have ensured efficient compliance with the applicable Secretarial Standards as issued by the Institute of Company Secretaries of India.

35. Acknowledgements

The Board desires to place on record its sincere appreciation for the support and co-operation that the Company received from the suppliers, customers, Bankers, Auditors, Semi-Government agencies and regulators across all the operations of the Company including and all others associated with the Company.

For and on behalf of the Board of Directors
United Telecoms Limited

	Sd/-	**Sd/-**
Place: Bangalore		
Date: 01.12.2022	**Dr. Padmavathi Potluri**	**Mr. Venkateswarlu Mungala**
	Managing Director	**Director**
	DIN: 00155153	**DIN: 02511158**

FORM NO. AOC.1
Statement containing salient features of the financial statement of Subsidiaries/Associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Name of the Company – United Telecoms Limited
CIN - *U32301KA1986PLC007800*

Part "A": Subsidiaries

(INR in lakhs)

1	Name of the Subsidiary	United Wireless Technologies Limited	UTL Technologies Limited	New Era Power Corporation Limited	United Sustainable Energy India Private Limited as on 31.03.2020	United Surya Energy Limited as on 31.03.2021	NSP Electronics Limited as on 31.03.2021
2	Reporting period for the subsidiary, if different from the holding Company's reporting period	NA	NA	NA	NA	NA	NA
3	Reporting currency and exchange rates for foreign subsidiaries	NA	NA	NA	NA	NA	NA
4	Share capital	73.34	443.37	11,640.87	100.00	3,149.63	3,724.93
5	Reserves & Surplus	(78.37)	(1,289.17)	(122.73)	(1,82,810)	(1,625.76)	(3,448.37)
6	Total Assets	14.94	592.26	11,539.06	11,78,425	2,652.46	1,566.83
7	Total Liability	14.94	592.26	11,539.06	11,78,425	2,652.46	1,566.83
8	Investments	-	--	100.25	11,65,647	1,167.32	0.61
9	Turnover	-	182.86	-	--	382.28	182.40
10	Profit before tax	(0.59)	(38.50)	(30.21)	(24,694)	(35.15)	(161.85)
11	Provision for Taxation	-	(14.35)	-	-	(0.02)	(9.81)
12	Profit after tax	(0.59)	(52.85)	(30.21)	(24,694)	(35.13)	(171.66)

1	Name of the Subsidiary	United Wireless Technologies Limited	UTL Technologies Limited	New Era Power Corporation Limited	United Sustainable Energy India Private Limited as on 31.03.2020	United Surya Energy Limited as on 31.03.2021	NSP Electronics Limited as on 31.03.2021
13	Proposed dividend	NIL	NIL	NIL	NIL	NIL	NIL
14	% of shareholding	93.13	98.83	55.08	73.75	97.45	75.84

Note:

1. Names of subsidiaries which are yet to commence operations NA
2. Names of subsidiaries which have been liquidated or sold during the year NA

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(INR in lakhs)

Sl. No.	Name of Associates	Trigyn Technologies Limited	United Power and Steel Alloys Limited	United ERP Solutions Limited	Priyaraj Electronics Limited	Andhra Networks Limited	ITASCA Software Development Private Limited	Gujarat Online Limited
1.	Latest audited Balance Sheet Date	31.03.2022	31.03.2022	31.03.2022	31.03.2021	31.03.2021	31.03.2022	31.03.2022
2.	Shares of Associate/Joint Ventures held by the company on the year end							
	Number of shares	13,701,877	25,45,000	75,000	1,42,342	4,89,930	10,59,006	1,42,857
	Amount of Investment in Associates/Joint Venture	2158.03	254.50	7.50	6,069.19	48.99	1705.00	121.00

Sl. No.	Name of Associates	Trigyn Technologies Limited	United Power and Steel Alloys Limited	United ERP Solutions Limited	Priyaraj Electronics Limited	Andhra Networks Limited	ITASCA Software Development Private Limited	Gujarat Online Limited
	Extent of Holding %	44.51	36.37	37.50	30.55	48.70	9.58	14.29
3.	**Description of how there is significant influence**	More than 20% shares and voting power	More than 20% shares and voting power	More than 20% shares and voting power	More than 20% shares and voting power	More than 20% shares and voting power	More than 20% shares and voting power	More than 20% shares and voting power
4.	**Reason why the associate/joint venture is not consolidated**	NA	NA	NA	NA	NA	NA	NA
5.	**Networth attributable to Shareholding as per latest audited Balance Sheet**	17689.62	137.46	(3.29)	5087.52	2649.58	(1,237.23)	39.21
6.	**Profit / Loss for the year**							
	Considered in Consolidation	1739.09	(0.14)	(0.19)	88.92	(92.17)	(0.17)	(0.12)
	Not Considered in Consolidation							

Notes:
1. Names of associates or joint ventures which are yet to commence operations NA
2. Names of associates or joint ventures which have been liquidated or sold during the year NA

For and on behalf of the Board of Directors
United Telecoms Limited

Sd/- **Sd/-**

Place: Bangalore
Date: 01.12.2022

Mr. Venkateswarlu Mungala **Dr. Padmavathi Potluri**

Director	**Managing Director**
DIN : 02511158	**DIN: 00155153**
Sd/-	**Sd/-**
Ms. Payal Kumari	**Mr. Nagesh Ramineni**
Company Secretary	**Chief Financial Officer**
M. No. A68084	

Form No. AOC-2

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

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

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

a.	Name(s) of the related party and nature of relationship:	There were no transaction or arrangement which were not at arm's length.
b.	Nature of contracts/ arrangements/ transactions	
c.	Duration of the contracts /arrangements/ transactions	
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	
e.	Justification for entering into such contracts/ arrangements/ transactions	
f.	Date(s) of approval by the Board	
g.	Amount paid as advances, if any:	
h.	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

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

a.	Name(s) of the related party and nature of relationship	NSP Electronics Limited
b.	Nature of contracts/ arrangements/ transactions	Expenses paid on behalf of related party
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 22,32,981/-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	New Era Power Corporation Limited
b.	Nature of contracts/ arrangements/ transactions	Expenses paid on behalf of related party
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 2,25,000/-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	New Era Power Corporation Limited
b.	Nature of contracts/ arrangements/ transactions	Advance paid for land
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 35,10,000 /-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	Promuk Hoffman International Limited
b.	Nature of contracts/ arrangements/ transactions	Expenses paid on behalf of related party
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 29,84,677/-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	Andhra Networks Limited

b.	Nature of contracts/ arrangements/ transactions	Advances given
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 8,00,000/-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	Andhra Networks Limited
b.	Nature of contracts/ arrangements/ transactions	Expenses of the company paid by ANL
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 4,69,900/-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	Andhra Networks Limited
b.	Nature of contracts/ arrangements/ transactions	Advances repaid
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 1,84,500/-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	United Sustainable Energy India Pvt. Ltd.
b.	Nature of contracts/ arrangements/ transactions	Advance given for subscription to compulsory convertible preference share
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 1,51,54,916/-

e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	UTL Technologies Limited
b.	Nature of contracts/ arrangements/ transactions	Expenses paid on behalf of related party
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 65,322/-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	Gujarat Online Limited
b.	Nature of contracts/ arrangements/ transactions	Expenses paid on behalf of related party
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 65,208 /-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	Itasca Software Development Private Limited
b.	Nature of contracts/ arrangements/ transactions	Expenses paid on behalf of related party
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 1,50,000 /-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	Trigyn Technologies Limited
b.	Nature of contracts/ arrangements/ transactions	Refundable interest free rent advance
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 2,05,00,000 /-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	Trigyn Technologies Limited
b.	Nature of contracts/ arrangements/ transactions	Unbilled rent
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 2,25,00,000 /-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	United Surya Energy Limited
b.	Nature of contracts/ arrangements/ transactions	Expenses paid on behalf of related party
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 20,000 /-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	United Surya Energy Limited
b.	Nature of contracts/ arrangements/ transactions	Advances given
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/	

	transactions including the value, if any	INR 1,67,02,774 /-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	United Surya Energy Limited
b.	Nature of contracts/ arrangements/ transactions	Advances repaid
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 31,71,192 /-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	United Telelinks (Bangalore) Limited
b.	Nature of contracts/ arrangements/ transactions	Fixed Deposit of UTL Telelinks adjusted against loan
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 8,46,27,790 /-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	United Power & Steel Alloys Limited
b.	Nature of contracts/ arrangements/ transactions	Expenses paid on behalf of related party
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 22,309 /-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	Powered EPC Services Limited
b.	Nature of contracts/ arrangements/ transactions	Expenses paid on behalf of related party
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 1,05,000 /-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	Priyaraja Electronics Limited
b.	Nature of contracts/ arrangements/ transactions	Expenses paid on behalf of related party
c.	Duration of the contracts /arrangements/ transactions	No duration specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 1,36,72,704/-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	Dr. P. Padmavathi
b.	Nature of contracts/ arrangements/ transactions	Managerial remuneration
c.	Duration of the contracts /arrangements/ transactions	As per the terms and conditions specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 36,00,000/-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	Dr. P. Padmavathi
b.	Nature of contracts/ arrangements/ transactions	Rent
c.	Duration of the contracts /arrangements/ transactions	As per the terms and conditions specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 27,00,000/-

e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	Dr. P. Padmavathi
b.	Nature of contracts/ arrangements/ transactions	Interest free refundable security deposit for rent
c.	Duration of the contracts /arrangements/ transactions	As per the terms and conditions specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 22,50,000/-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

a.	Name(s) of the related party and nature of relationship	Dr. P. Padmavathi
b.	Nature of contracts/ arrangements/ transactions	Maintenance Charges
c.	Duration of the contracts /arrangements/ transactions	As per the terms and conditions specified
d.	Salient terms of the contracts/ arrangements/ transactions including the value, if any	INR 3,00,000/-
e.	Date(s) of approval by the Board	Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
f.	Amount paid as advances, if any	NIL

For and on behalf of the Board of Directors
United Telecoms Limited

Place: Bangalore
Date: 1st December, 2022

Sd/-
Dr. Padmavathi Potluri
Managing Director
DIN: 00155153

Sd/-
Mr. Venkateswarlu Mungala
Director
DIN: 02511158

KRISHNAKUMAR BHAT & ASSOCIATES
Company Secretaries

G-1, Parimala Archid, 1st Floor, B Block,
AECS Layout, Brookfield, Kundalahalli,
Bangalore- 560037
Mob: +91-9916240648
Email: cskrishnakumarbhat@gmail.com

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2022

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

To,

The Members

United Telecoms Limited

No.18/19, Doddanekundi Industrial Area, Mahadevapura Post,

Whitefield, Bangalore- 560048, Karnataka

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by United Telecoms Limited (CIN: U32301KA1986PLC007800) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my 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, the explanations and clarifications given to us and the representations made by the Management and we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2022 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:

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AECS Layout, Brookfield, Kundalahalli,
Bangalore- 560037
Mob: +91-9916240648
Email: cskrishnakumarbhat@gmail.com

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022 according to the provisions of:

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

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under- Not applicable to the Company as it is an Unlisted Company;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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'), none of whom is applicable to the Company as Company is an unlisted company:

(a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(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;

(e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

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(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 2015;

(vi) In relation to the other Acts, Laws, Rules and Regulations as applicable to the Company, we have relied on the management declaration and representation made by the Company and its Officers for system and mechanism formed by the Company.

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, Subject to the following observations:

1. The company's Register of Members could not be produced before us.
2. Certain e-forms were filed after the due date.
3. The Company has not filed Reconciliation of Share Capital Audit Report in form PAS-6
4. The Company has increased its Authorised Share Capital from INR 11,50,00,000/- to INR 1,000 Crore dated 13-08-2021 and company is yet to file form SH-7 for Increase of Authorised share capital, during the year.
5. Internal Audit report has not been produced before us.
6. Company has not submitted Cost Audit report for the FY.2020-21.

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, however, the company had one Managing Director, one Non-executive Chairman, one Whole-Time Director and seven non-executive directors, out of which four Directors are Independent Directors as per Rule 4 of the Companies (Appointment

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and Qualification of Directors) Rules, 2014 throughout the financial year under review in compliance to the provisions applicable to it. There is change in the composition of the Board of Directors that took place during the period under review, details as given below.

No.	Name of the Director	Category	Date of Change	Particulars of Change	Reasons for Change (Vacation/Resignation/removal/ disqualification
1	Mrs. Krantipriya Chakravarty Mitra	Executive	01.04.2021	Appointment	Appointed as Whole-time Director
2	Mr. Vijay Jain	Independent	13.08.2021	Appointment	Change in designation

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, however few meetings were called with the shorter notice with due consent from the majority of Directors and the required Independent Directors were present In the Board Meeting. 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.

All decisions of the Board were taken with the requisite majority and Committees were unanimous and the same was captured and recorded as part of the minutes and accordingly dissent has been recorded in minutes.

We further report that, the company had approached Reserve Bank of India (RBI) earlier with an application for condonation of delays in submission of documents and write off the amount to the regulator in respect of investments made in overseas companies. The same is pending with RBI for final disposal. Pending approval of the request, the company has written off these amounts fully in the books of accounts.

S No.	Name of the Company	Country	Amount in Lakhs
1	Lanka Internet Services Ltd	Sri Lanka	1031.59

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2	Chalm way Pty ltd	Australia	571.80
3	United Communication Ltd	Mauritius	758.56

The amount of penalty/compounding on company's application for condonation has not been decided by the Regulatory Authorities. The effect of the same on financial position is not ascertainable at this stage as such no provision has been made by the company.

We further report that Mr. Chalasani Venkateswara Rao (Ex-Managing Director & Shareholder), Mrs. Chalasani Padmavathi (Shareholder) and Mrs. Chalasani Sandhya Rao (Non-Executive Director cum Shareholder) have filed a case of oppression and mis-management against the company and management thereof, which is pending before NCLAT Bench.

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

For **KRISHNAKUMAR BHAT AND ASSOCIATES**

KRISHNAKUMAR BHAT
Digitally signed by KRISHNAKUMAR BHAT
Date: 2022.12.01 18:35:37 +05'30'

KRISHNAKUMAR BHAT

Practicing Company Secretary

FRN: S2021KR777500

M. No. A 62395, COP No. 23285

UDIN: A062395D002571264

Place: Bangalore

Date: 01-12-2022

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

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ANNEXURE

To,

The Members

United Telecoms Limited

No.18/19, Doddanekundi Industrial Area, Mahadevapura Post,

Whitefield, Bangalore- 560048, Karnataka

Our Secretarial Audit Report of even date is to be read along with this letter.

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.

We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company and are not expressing any opinion in relation to same.

We have verified the documents or obtained copy for verification and wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

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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 **KRISHNAKUMAR BHAT AND ASSOCIATES**

KRISHNAKUMAR BHAT

Digitally signed by KRISHNAKUMAR BHAT
Date: 2022.12.01 18:36:11 +05'30'

KRISHNAKUMAR BHAT

Practicing Company Secretary

FRN: S2021KR777500

M. No. A 62395, COP No. 23285

UDIN: A062395D002571264

Place: Bangalore

Date: 01-12-2022

ANNEXURE D

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. Brief outline on CSR Policy of the Company

The company's CSR philosophy is 'Do Good to Do Well and Do Well to Do Good'. Our vision is to be a responsible industry leader and demonstrate transparent and ethical behavioural practices, which will contribute to the economic and sustainable development within the company, industry, and society at large.

(a) Committee Responsibilities and Authority:

-The Committee shall annually review processes and practices of the Company and make appropriate recommendations to the Board.
-The Committee shall ensure that the Company is taking the appropriate measures to undertake and implement CSR projects successfully and shall monitor from time to time.
-The Committee shall identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities.
-The Committee will coordinate for implementing programs and executing initiatives.
-The Committee may form and delegate authority to subcommittees when appropriate.
-The Committee shall regularly report to the Board.

2. Composition of CSR Committee

The composition of the committee is as per the requirement of the Companies Act, 2013.

- Number of directors composing CSR Committee: 5 (Five)

Sl. No	DIN	Name of Director	Nature of Directorship	Number of meetings of CSR Committee held during the year	No. of meetings of CSR Committee attended during the year
1	00157346	Dr. Potluri Rajmohan Rao	Chairman and Non-Executive Director	2	2
2	00155153	Dr. Potluri Padmavathi	Managing Director	2	2
3	00556559	Mrs. Komali Cherukuri	Independent Director	2	1
4	02263590	Mrs. Krantipriya Chakravaty Mitra	Wholetime Director	2	1
5	02511158	Mr. Venkateswarlu Mungala	Independent Director	2	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: The website of the company is under construction. The information will soon be available on the website

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)- Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	**Financial Year**	**Amount available for set-off from preceding financial years (in Rs)**	**Amount required to be set-off for the financial year, if any (in Rs)**
NIL			

6. Average net profit of the Company as per Sec 135(5): (Rs. 1,515 lakhs)

7. a) Two percent of average net profit of the Company as per Section 135(5): (Rs 30.30 lakhs)
b) Surplus arising out of the CSR projects or programs or activities of the previous financial years: NIL
c) Amount required to be set-off for the financial year, if any: NIL
d) Total CSR obligation for the financial year (7a+7b-7c): (Rs. In Lakhs) 30.30

8. (a) Whether CSR amount for the financial year has been spent or unspent during the year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of fund	Amount	Date of transfer
7.00	23.50	30.04.2022	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year: 50,000
c) Details of CSR amount spent against other than ongoing projects:

(1).	**(2).**	**(3).**	**(4).**	**(5).**		**(6).**	**(7).**	**(8).**	
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes / No)**	**Location of the project**		**Amount spent in the project (in Rs.)**	**Mode of Implementation - Direct (Yes / No)**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**			**Name**	**CSR Registration number**
1	Aim for Seva	(ii)	Yes	Karnataka	Yelanhanka, Bangalore	6.5 Lakhs	No	Aim for Seva	CSR00003273

(d) Amount spent in Administrative Overheads: NIL
(e) Amount spent on Impact Assessment, if applicable: Not applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): 7.0 lakhs
(g) Excess amount for set off, if any:

Sl. No.	**Particular**	**Amount** (Rs. In Lakhs)

	Two percent of average net profit of the company as per section 135(5)	30.30
	Total amount spent for the Financial Year	7.00
	Excess amount spent for the financial year [(ii)-(i)]	NIL
	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years: *NIL*

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): *NIL*

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – *No capital asset was created/ asset so created or acquired through CSR spent in the financial year acquired for fiscal 2022 through CSR Spent.*

(asset-wise details)

- Date of creation or acquisition of the capital asset(s): NIL
- Amount of CSR spent for creation or acquisition of capital asset: NIL
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : NIL
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : NIL

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – *Not Applicable*

By Order of the Board
For United Telecoms Limited

Sd/-

Dr. Padmavathi Potluri
Managing Director
DIN: 00155153

Sd/-

Mr. Venkateswarlu Mungala
Director
DIN:02511158

Place: Bangalore
Date: 01.12.2022

INDEPENDENT AUDITOR'S REPORT

To the members of United Telecoms Limited

Report on the Standalone Indian Accounting Standard ("Ind AS") Financial Statements for the year ended 31st March, 2022

Opinion

We have audited the standalone financial statements of **United Telecoms Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2022, 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 "the financial statements"). In our opinion and to the best of our information and according to the explanations given to us, 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are 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 state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows 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. 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 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. Board of Directors is also responsible for overseeing the Company's financial reporting process.

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 scepticism 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 with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 auditors' 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.

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 auditors' 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.

Emphasis of matter

We draw attention to following Notes to Standalone Ind AS financial statements:

a. Note No. 32 relating to non-payment of undisputed statutory dues aggregating to Rs.1412.97 lacs (Previous year Rs.909.59 lacs);
b. Note No. 43 relating to overdrawn position in the working capital borrowing from banks aggregating to Rs.4,869.75 lacs (Previous year Rs.6,212.17 lacs).
c. Note No. 44 (b) to (d) and 65 relating to Investments in Subsidiaries having negative net-worth;
d. Note No. 44 regarding impairment test for all the subsidiaries which has got delayed.
e. Note No. 45 regarding development of EPIP land.
f. Note No. 53 relating to Bank Facilities classified as Non-Performing Assets by respective banks;
g. Note No. 56 regarding seeking permission of Reserve Bank of India for writing-off of investments made outside India.
h. Note No. 59 relating to write off in respect of 250MW thermal power plant.
i. Note No.62 and 63 regarding arbitration cases filed against BBNL and ELCOT.
j. Note No.64 regarding claim and counter claim with respect to Railtel Project.
k. Note No. 65 – regarding advances subsidiaries and associates.
l. Note No. 67 - independent confirmations are not obtained for long and short-term liabilities and loans and advances.
m. Note 69 regarding sundry debtors outstanding above Rs.500 lacs.
n. Note No.69 (b) regarding receivables of Rs. 328.41 lacs from Motorola India Limited outstanding for more than 5 years where a recovery suit has been filed.

o. Note No. 69 (c) - Confirmation of balances from major clients have not been received.
p. Note No.70 regarding Block Income Tax Assessment for Assessment Years 2013-14 to 2019-20.
q. Note No. 71 regarding cases in arbitration.
r. Note No.73 regarding going concern.
s. We also draw attention to Clause (vii) (a) and (b) in CARO stating undisputed and disputed statutory dues outstanding as at 31st March 2022
t. We also draw attention to Clause (ix) in CARO where the Company has defaulted in its repayment of dues to three Banks (overdrawn)

(As fully described in respective notes)
Our opinion is not qualified in respect of above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

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

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

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i) As represented by the Company, the company has disclosed pending litigations impacting its financial position as on 31st March 2022 -Refer Note No. 31, 62, 63, 64, 69, 71, and 72 to the standalone Ind AS financial Statement

ii) The company has not entered into any long-term contracts including derivative contract during the year – Refer Note No 76 to the standalone Ind AS financial statement.

iii) As represented by the company, there is no amount required to be transferred to Investor Education and Protection Fund by the Company Refer Note No.77 to the standalone Ind AS financial Statement.

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

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

c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under paras a) and b) above, contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

The company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.

For P. B. SHETTY & CO
Chartered Accountants
Firm registration number – 110102W

S/D

Brijesh Shetty
Partner
Membership No. 131490
UDIN : 22131490BEPYYN1959
Place: Mumbai
Date: 1st December 2022

Annexure A to the Independent Auditors' Report

[Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of United Telecoms Limited on the Ind AS financial statements for the year ended 31st March, 2022]

Annexure 'A' to the Independent Auditors' Report

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, we further report that:

1. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

   (B) The company has maintained proper records showing full particulars of intangible assets.

   (b) The Property, Plant and Equipment have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.

   (c) The title deeds of the immovable properties disclosed in the financial statements are held in the name of the company except the following properties:

Description of the property*	**Gross carrying value in Rs. lakhs**	**Held in the name of**	**Whether promoter, director or their Employee**	**Period Held (Years)**	**Reason for not being in the name of the company**
Land at Tiruvnamalai	463.00	Pending for registration	N.A.	7 years	Company has already began the process for registering the property.
Land at Vizipura, Bangalore	668.89	Pending for registration	N.A.	7 years	Company has already began the process for registering the property.
Land at Hoskote, Bangalore	880.39	Allotment letter is in the name of the company	N.A.	8 years	Company has already began the process for registering the property.

*Details of the property are as represented by the management. Supporting documents were not made available for our inspection.

(d) The Company has not revalued its Property, Plant and Equipment, including Intangible Assets, during the year.

(e) There are no proceedings initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

2. (a) Inventories have been physically verified by the management during the year at reasonable intervals. In our opinion, the coverage and procedures of such verification by the management is appropriate. We have been informed that no discrepancies were noticed on verification between the physical stocks and book records that were 10% or more in the aggregate for each class of Inventory.

   (b) During the year, the company has been sanctioned the working capital limits in excess of Rs.5 crores, in aggregate, from the banks on the basis of security of current assets. The company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of accounts.

3. According to the information and explanations given to us, the Company has given loans and made investments during the year.
   a) A. The aggregate amount of loan granted to subsidiaries and other related parties during the year is Rs. 363.47lacs and outstanding balance as on 31st March, 2022 is Rs. 2299.56 lacs.
   b) In our opinion and according to the information and explanations given to us, the investments made and terms and conditions of the grant of loans provided during the year are not prima facie, prejudicial to the interest of the company.
   c) The schedule of repayment of the principal and payment of interest in respect of loans has not been stipulated.
   d) Loans amounting to Rs. 2299.56 are overdue as on the date of the Balance Sheet.
   e) During the year the Company renewed/extended loans amounting to Rs.363.47 lacs.
   f) The company has not granted any loans and advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

4. In respect of loans, investments, guarantees and security the Company has complied with the provisions of Section 185 and 186 of the Companies Act, wherever applicable.

5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

6. To the best of our knowledge and as explained to us, the rules prescribed by the Central Government for maintenance of cost records under sub section (1) of section 148 of the Act, 2013 are applicable to this company in respect of Telecommunication Services and Power and the company is maintaining such accounts and records. However, we have not carried out a detailed examination of the records with a view to determine these are accurate and complete.

7. a) According to the information and explanation given to us and records of the company examined by us, in our opinion, there has been delay in depositing undisputed statutory dues including Provident Fund, employee's state insurance fund, wealth tax, custom duty, excise

duty, cess with the appropriate authorities from time to time. Following are the undisputed statutory dues outstanding as at 31st March 2022 which are outstanding for more than six months from the date the become payable

Sr. No	Particulars	Amount in Rs.Lacs
1	Service Tax	501.04
2	Provident Fund Contribution	74.04
3	ESIC Payable	59.83
4	VAT	1.89
5	GST Payable	664.05
6	Professional Tax	4.10
7	TDS	60.07
8	TCS	3.32
9	Property Tax	44.63
		1,412.97

b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, customs duty and cess as at 31st March 2022 which has not been deposited on account of dispute, except Sales tax and service tax dues which are as under:-

Name of Statute	Forum where dispute is pending	Amount (Rs. In Lacs)
Service tax	CESTAT, Additional Commissioner of Service Tax, Service Tax Commissionerate	2400.00
Sales Tax	JCCT(A), Deputy & Assistant Commissioner of Appeal	111.58

8. Based on the information and explanations provided by the management, we have not found any transactions not recorded in the books of account, surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Hence the reporting requirement on clause 3(viii) does not apply to the Company.

9. (a) According to the information and explanations given to us and records of the Company examined by us, the company has borrowed money from financial institution or bank or Government as at the Balance Sheet date. During the year under review, the Company has defaulted in its repayment of dues to three Banks, the details are as under :- (overdrawing)

Sr. No.	Name of the Bank/Financial Institution	Amount of default outstanding as on 31.03.222 (Rs. In lacs)
1	Punjab National Bank	2,938.46
2	IDBI Bank	969.61
3	Canara Bank	961.68
		4,869.75

(b) The Company has not been declared willful defaulter by any bank or financial institution or other lender.

(c) Clause 3 (ix)(c) to (f) are not applicable to the Company.

10. (a) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer or further public offer (including debt instruments) during the year.

    (b) The Company has not made private placement of equity shares or preferential allotment during the said year and accordingly, requirements of Section 42 and Section 62 of the Companies Act, 2013 are not applicable to the Company.

11. (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no material fraud by the Company or on the Company by its officers and employees has been noticed or reported during the course of our audit. Hence, clauses 3(xi) (a) is not applicable to the Company.

    (b) As informed by the management and to the best of our knowledge and belief, there were no whistle-blower complaints received by the Company during the year.

12. In our opinion, the Company is not a Nidhi company. Therefore, reporting requirements of clause 3(xii) of the Order are not applicable to the Company.

13. Based upon the audit procedures performed and according to the information and explanations given by the management, all transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 of the Companies Act, 2013, is not applicable to the Company.

14. During the year, internal audit has been carried out by the independent firm of Chartered Accountants. In our opinion and according to the information and explanations given to us, the scope and coverage is commensurate with the size of the company and nature of its business.

15. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013 and hence, reporting requirements under clause 3(xv) is not applicable to the Company.

16. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence, reporting requirements under clause 3(xvi) are not applicable to the Company.

17. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors of the Company during the year.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the

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

20. According to the information and explanations given to us, the provisions of section 135 of the Companies Act, 2013 does not apply to the Company. Hence, reporting requirements under clause 3 (xx) are not applicable.

For P. B. SHETTY & CO.
Chartered Accountants
Firm registration number - 110102W

S/D

Brijesh Shetty
Partner
Membership number - 131490
UDIN : 22131490BEPYYN1959
Place: Mumbai
Date: 1st December, 2022

Annexure B to the Independent Auditors' Report

[Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the Members of United Telecoms Limited on the Standalone Ind AS financial statements for the year ended 31st March, 2022]

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

We have audited the internal financial controls over financial reporting of United Telecoms Limited as of 31st March 2022 in conjunction with our audit of the standalone INDAS 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Emphasis of Matter

Based on our discussion on internal control over financial reporting in place at United Telecoms Limited, we have following observations:

a) The decision-making process at the company is centralized with the Managing Director and Chairman.

b) There is hardly any delegation of powers to senior executives within the company leaving little scope for collective decision making on important issues. However major policy decisions are being discussed at the Board level.

In view of the above, we are of the opinion that the existing internal control should be strengthened so as to bring collective decision-making system and transparency in financial dealings.

Opinion

In our opinion, subject to comments given in emphasis of matter, the Company has, in all material respects, an internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating as at 31 March 2022,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. However, improvement is required in the existing controls.

For P. B. SHETTY & CO
Chartered Accountants
Firm registration number – 110102W

S/D

Brijesh Shetty
Partner
Membership No. 131490
UDIN : 22131490BEPYYN1959

Place: Mumbai
Date: 1st December 2022

UNITED TELECOMS LIMITED
CIN : U32301KA1986PLC007800
No.18A/19, Doddanekundi Industrial Area, Bangalore 560 048.
Balance Sheet as at March 31,2022

Particulars	Note No	Amount in lacs (Rs.) As at March 31, 2022	Amount in lacs (Rs.) As at March 31, 2021
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	2a +2c	34,129.34	35,333.82
Capital work-in-progress	2b	-	5,738.95
Investment in Property (Refer Note No. 45)		6,497.51	-
Financial Assets:			
Investments	3	30,684.84	30,523.72
Deferred tax assets [Net]	48	11,317.89	11,317.90
Other Non-Current Assets	4	1,019.32	339.28
		83,648.89	83,253.67
Current Assets:			
Inventories	5	7,569.44	9,637.09
Financial Assets:			
i) Trade Receivables	6	23,466.44	33,845.70
ii) Cash and Cash equivalents	7	358.08	138.12
iii) Bank Balances other than (ii) above	8	1,035.77	2,025.45
iv) Other current financial assets	9	0.58	-
Current tax assets [Net]	10	726.10	635.51
Other Current Assets	11	3,083.02	2,872.96
		36,239.43	49,154.82
Assets classified as held for sale		-	-
Total Assets		**1,19,888.32**	**1,32,408.50**
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	12	1,115.57	1,115.57
Other Equity	13	97,371.25	96,919.46
Total Equity	A	98,486.82	98,035.03
Liabilities:			
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	14	7,512.29	7,570.21
Provisions	15	263.15	589.27
Other non-current liabilities	16	2,477.58	2,039.88
		10,253.03	10,199.37
Current Liabilities:			
Financial Liabilities:			
Borrowings	17	5,223.34	7,950.43
Trade Payables			
(a) Total Outstanding due of Micro and Small Enterprises	18	71.28	167.68
(b) Total Outstanding dues other than (a) above	18	3,368.76	13,214.29
Other current financial liabilities	19	-	-
Other Current Liabilities	20	2,428.23	2,778.23
Provisions	21	56.88	63.48
		11,148.48	24,174.10
	B	21,401.50	34,373.47
Total Equity and Liabilities	**A+B**	**1,19,888.32**	**1,32,408.50**

Significant Accounting Policies 1

Notes to Accounts 2 to 78

Significant Accounting Policies and Notes attached thereto form an integral part of the Financial Statements

As per our attached report of even date
For **P. B. SHETTY & CO.**
Chartered Accountants
ICAI FR No.110102W

S/D
Brijesh Shetty
Partner
Membership No. 131490

Place : Mumbai
Date : 1st December, 2022
UDIN No: 22131490BEPYYN1959

For and on behalf of Board of Directors

S/D
Mr. Venkateswarlu Mungala
Director
DIN : 02511158

S/D
Dr.P Padmavathi
Managing Director
DIN : 00155153

S/D
Payal Kumari
Company Secretary
Membership No. A68084
Bengaluru, Dated : 1st December 2022

S/D
R M Nagesh
Chief Financial Officer
PAN : ADXPR3731P

UNITED TELECOMS LIMITED
CIN : U32301KA1986PLC007800
Statement of Profit and Loss for the year ended March 31, 2022

Particulars	Note No.	Amount in lacs (Rs.) [except per share data] Year ended March 31, 2022	March 31, 2021
REVENUE:			
Revenue from Operations	22	8,924.85	17,346.80
Other Income	23	1,317.93	1,979.20
Total Revenue	**A**	10,242.78	19,326.01
EXPENSES:			
Cost of Materials Consumed	24a	454.35	7,119.39
Purchases of Stock in trade and Raw Materials	24b	-	-
Changes in Inventories of Finished goods and Stock in trade	25	2,396.78	3,044.65
Employee Benefits Expense	26	1,550.99	1,451.94
Finance Costs	27	2,012.50	2,363.42
Provision for Impairment of Power Plant		-	-
Depreciation and Amortisation expense	2	632.67	1,032.77
Other Expenses	28	2,621.20	4,197.73
Total Expenses	**B**	9,668.49	19,209.89
Profit before exceptional items and tax	**A-B**	**574.29**	**116.12**
Less: Extraordinary Items	29	-	204.42
Profit before Tax		574.29	320.54
Less: Tax Expense:			
Current Tax		132.05	64.50
MAT Credit		-	-
Deferred Tax	48	-	-
Profit for the year		**442.24**	**256.04**
OTHER COMPREHENSIVE INCOME:			
Items not to be reclassified to profit or loss in subsequent periods			
Remeasurements of the defined benefit plans		-	-
Fair Valuation of equity instrument		9.56	9.62
Income tax relating to items that will not be reclassified to profit or loss		-	-
Other Comprehensive Income for the year, net of tax		**9.56**	**9.62**
Total Comprehensive Income for the year net of Tax		**451.80**	**265.65**
Basic & Diluted Earning per Equity Share [EPS] (refer note No. 30)	30		
Basic and Diluted EPS after tax and before extraordinary items		5.15	0.46
Basic and Diluted EPS after tax and extraordinary items		5.15	2.30

Significant Accounting Policies 1
Notes to Accounts 2 to 78
Significant Accounting Policies and Notes attached thereto form an integral part of the Financial Statements

As per our attached report of even date
For **P. B. SHETTY & CO.**
Chartered Accountants
ICAI FR No.110102W

S/D
Brijesh Shetty
Partner
Membership No. 131490

Place : Mumbai
Date : 1st December, 2022
UDIN No: 22131490BEPYYN1959

For and on behalf of Board of Directors

S/D
Mr. Venkateswarlu Mungala
Director
DIN : 02511158

S/D
Dr.P Padmavathi
Whole time Director
DIN : 00155153

S/D
Payal Kumari
Company Secretary
Membership No. A68084

S/D
R M Nagesh
Chief Financial Officer
PAN : ADXPR3731P

Bengaluru, Dated : 1st December 2022

UNITED TELECOMS LIMITED
Bangalore

Cash Flow Statement for the year ended 31st March 2022

		31.03.2022	31.03.2021
A.	**Cash flow from Operating Activities:**		
	Profit before taxation and extraordinary items	**574.29**	**320.54**
	Add: Items of Other Comprehensive Income	9.56	9.62
	Net Profit Before Tax After adjustment in OCI	583.85	330.15
	Adjustments for :		
	Interunit Opening Adjustments	-	(275.72)
	Depreciation /Amortisation	632.67	1,032.77
	Reversal of excess provision	(575.33)	(754.59)
	Reversal of Excess Provision for gratuity and leave encashment	(267.99)	-
	Reversal of provisions made for investment in subsidiaries	-	
	Rent Liability No Longer Required Written Back	-	(937.88)
	Suppliers Credit balance no longer Required Written Back	(410.66)	(4,742.35)
	250 MW Plant Cost Written Off	-	7,724.49
	Impairment provision made in earlier years in respect of 250 MW power plant written back.	-	(3,400.00)
	Other Outflows	606.59	-
	Insurance and Project expenses related to 250 MW power plant written off	-	213.44
	Reversal of Impairment Reserve	-	(1,200.72)
	Bad Debts Written off	452.70	0.21
	Interest Income	(59.45)	(138.29)
	Dividend Received	(0.27)	(34.25)
	Investments in subsidiaries written off	-	-
	Rent received	-	(696.77)
	Interest expenditure	2,012.50	2,363.42
		2,390.75	(846.26)
	Operating Profit before Working Capital Changes	**2,974.60**	**(516.11)**
	(Increase)/Decrease in Inventory	2,067.64	5,041.71
	(Increase)/Decrease in Trade Receivables	10,379.26	(9,657.49)
	(Increase)/Decrease in Current Tax Assets	(90.59)	1,049.04
	(Increase)/Decrease in other current and non-current assets	(890.10)	6,029.14
	Increase/(Decrease) in Trade Payables	(9,941.93)	3,653.74
	(Increase)/Decrease in other current financial liabilities	-	(206.30)
	(Increase)/Decrease in other current and non-current Liabilities	87.70	(1,338.97)
	(Increase)/Decrease in Short term and Long Term provisions	(332.73)	(279.07)
		1,279.26	4,291.82
	Cash generated from operations	**4,253.86**	**3,775.71**
	Income Taxes Paid (net of refunds)	(89.50)	(141.63)
	Net Cash from Operating Activities -A	**4,164.36**	**3,634.08**
B.	**Cash Flow from Investing Acitivities:**		
	Transfer to Fixed Assets from Loans and Advances	-	(1,200.00)
	Research and Development Expenditure capitalised	(26.20)	(516.06)
	Purchases of Fixed Assets	(118.95)	(158.77)
	Additions to Investment in Property	(758.56)	-
	Transfer of Railtel Assets from PPE to Other Non Current Assets	716.96	-
	Adjustments in Fixed Assets	-	(1,351.79)
	Investment in FD's	989.68	60.10
	Investments in Associates/Subsidiaries	-	(45.12)
	Increase due to OCI Gain	(9.56)	(9.62)
	Interest Received	59.45	138.29
	Dividend Received	0.27	34.25
	Rent received	-	696.77
	Net Cash from in Investing Activities-B.	**853.09**	**(2,351.93)**
C.	**Cash Flow from Financing Activities :**		
	Interest paid	(2,012.50)	(2,363.42)
	Increase/Decrease in borrowings	(2,785.01)	962.88
	Loans repaid	-	-

UNITED TELECOMS LIMITED
Bangalore

Cash Flow Statement for the year ended 31st March 2022

	Net Cash Used in Financing Activities-C	**(4,797.50)**	**(1,400.54)**
	Net Increase in Cash and Cash equivalents (A+B+C)	**219.96**	**(118.39)**
	Cash and Cash Equivalents as at Beginning of the year	138.12	256.49
	Cash and Cash Equivalents as at End of the year	358.08	138.12

UNITED TELECOMS LIMITED
Bangalore

Cash Flow Statement for the year ended 31st March 2022

1	Cash and Cash equivalents includes		
	Cash and Bank Balances -		
	Cash on hand	2.17	2.63
	Balance with Scheduled Banks :		
	On Current Accounts	355.91	135.49
	On Deposit Accounts		-
	Total Cash and Cash Equivalent	**358.08**	**138.12**

2 The above cash flow statement has been prepared under the indirect method setout in Ind Accounting Standard 7 " Cash Flow Statement" issued by the Institute of Chartered Accountants of India.

3 Figures in brackets indicate cash outgo.

4 Previous years' figures have been regrouped / rearranged wherever necessary.

This is the notes forming part of financial statements referred to in our Report of even date.

For P. B. SHETTY & CO.
Chartered Accountants
ICAI FR No.110102W

S/D
Brijesh Shetty
Partner
Membership No. 131490

Place : Mumbai
Date : 1st December, 2022
UDIN No: 22131490BEPYYN1959

For and on behalf of Board of Directors

S/D
Mr. Venkateswarlu Mungala
Whole Time Director
DIN : 02511158

S/D
Dr. P Padmavathi
Whole Time Director
DIN : 00155153

S/D
Payal Kumari
Company Secretary
Membership No. A68084

S/D
R M Nagesh
Chief Financial Officer
PAN : ADXPR3731P

Bengaluru, Dated : 1st December, 2022

UNITED TELECOMS LIMITED
Statement of Changes in Equity for the year ended 31 March 2022
(All amounts in Indian Rupees in Lakhs except for share data and otherwise stated)

A) Equity Share Capital
(1) Current Reporting Period - FY 2021-2022

Balance at the beginning of the current reporting period 01-Apr-2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period 01-Apr-2021	Changes in equity share capital during the current year	Balance at the end of the current reporting period 31-March-2022
1,115.57	-	1,115.57	-	1,115.57

Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up - No of shares - 1,11,55,718

2) Previous Reporting Period - FY 2020-2021

Balance at the beginning of the previous reporting period 01-Apr-2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period 01-Apr-2020	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period 31-March-2021
1,115.57	-	1,115.57	-	1,115.57

Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up - No of shares - 1,11,55,718

B) Other Equity
(1) Current Reporting Period - FY 2021-2022

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Money received against share warrants	Total
			Capital Reserve	Securities Premium	General Reserve	Retained Earnings					
Balance at the beginning of the current reporting period 01-Apr-2021	**-**	**-**	**112.78**	**12,885.84**	**25.00**	**83,859.90**	**-**	**35.94**	**-**	**-**	**96,919.46**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the current reporting period 01-Apr-2021	**-**	**-**	**112.78**	**12,885.84**	**25.00**	**83,859.90**	**-**	**35.94**	**-**	**-**	**96,919.46**
Total Comprehensive Income / (Loss) for the current year	-	-	-	-	-	442.24	-	9.56	-	-	451.79
Dividends on Pref. Shares	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the current reporting period 31-March-2022	**-**	**-**	**112.78**	**12,885.84**	**25.00**	**84,302.15**	**-**	**45.49**	**-**	**-**	**97,371.25**

2) Previous Reporting Period - FY 2020-2021

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Money received against share warrants	Total
			Capital Reserve	Securities Premium	General Reserve	Retained Earnings					
Balance at the beginning of the previous reporting period 01-Apr-2020	**-**	**-**	**112.78**	**12,885.84**	**25.00**	**83,879.58**	**-**	**26.32**	**-**	**-**	**96,929.52**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period 01-Apr-2020	**-**	**-**	**112.78**	**12,885.84**	**25.00**	**83,879.58**	**-**	**26.32**	**-**	**-**	**96,929.52**
Total Comprehensive Income / (Loss) for the previous year	-	-	-	-	-	256.04	-	9.62	-	-	266
Dividends	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	(275.72)	-	-	-	-	(276)
Balance at the end of the previous reporting period 31-March-2021	**-**	**-**	**112.78**	**12,885.84**	**25.00**	**83,859.90**	**-**	**35.94**	**-**	**-**	**96,919.46**

The accompanying notes are an integral part of these financial statements
As per our report of even date

For P. B. SHETTY & CO.
Chartered Accountants
ICAI FR No.110102W

S/D
Brijesh Shetty
Partner
Membership No. 131490
UDIN No: 22131490BEPYYN1959
Place : Mumbai
Date : 1st December, 2022

For and on behalf of Board of Directors

S/D
Mr. Venkateswarlu Mungala
Director
DIN : 02511158

S/D
Dr.P Padmavathi
Managing Director
DIN : 00155153

S/D
R M Nagesh
Chief Financial Officer
PAN : ADXPR3731P

S/D
Payal Kumari
Company Secretary
Membership No. A68084

Place : Bengaluru
Date : 1st December, 2022

UNITED TELECOMS LIMITED

Notes to the Financial Statements

Note: 2-Property,Plant and Equipment

a) Property, Plant and Equipment | b) CWIP | c) Intangible Assets

	Freehold Land	Building	Electrical Fittings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Vehicles	Computers	Total (Amount in lacs (Rs.))	CWIP (Amount in lacs (Rs.))	Computer Software (Amount in lacs (Rs.))
Gross carrying value:											
As at March 31, 2020	22,955.44	7,690.23	44.38	6,686.06	109.51	29.61	230.97	147.74	37,567.15	5,742.40	41.12
Adjustments	1,142.58	2,007.74	10,076.85	(961.54)	141.58	245.63	147.55	484.99	13,283.38	(345.00)	(17.34)
Adjusted opening	**24,098.02**	**9,697.97**	**10,121.23**	**5,724.51**	**251.09**	**275.23**	**378.52**	**632.73**	**51,179.29**	**5,738.95**	**23.78**
Additions	1,200.00	-		134.19	-	0.81	4.79	18.98	1,358.77	-	516.06
Disposals				-	-	-		-	-		-
As at March 31, 2021	**25,298.02**	**9,697.97**	**10,121.23**	**5,858.70**	**251.09**	**276.04**	**383.31**	**651.71**	**52,538.06**	**5,738.95**	**539.84**
Additions	-	-	-	115.50	-	0.36	-	3.09	118.95	-	26.20
Adjustments								(1.01)	(1.01)	-	-
Disposals	-			-	-	-		-	-	-	-
Transfer of Railtel assets to Other Non Current Assets				(1,103.83)	(0.25)			(0.39)	(1,104.47)	-	-
Transfer to Investment in Property (Refer Note No. 45)	-								-	5,738.95	-
As at March 31, 2022	**25,298.02**	**9,697.97**	**10,121.23**	**4,870.37**	**250.84**	**276.40**	**383.31**	**653.40**	**51,551.53**	**-**	**566.04**
Depreciation and Impairment:											
As at March 31, 2020	-	633.17	37.23	3,746.25	76.94	19.44	169.92	84.21	4,767.15	-	31.54
Adjustment	-	1,795.68	8,814.70	325.52	141.80	251.41	147.71	450.88	11,927.70		(16.07)
Adjusted Opening		**2,428.85**	**8,851.93**	**4,071.77**	**218.73**	**270.84**	**317.63**	**535.09**	**16,694.84**		**15.47**
Depreciation for the year	-	247.74	0.52	728.99	4.75	2.62	21.21	22.78	1,028.61		4.16
Impairment for the year									-		
Disposals	-			-	-			-	-		
As at March 31, 2021	**-**	**2,676.59**	**8,852.45**	**4,800.76**	**223.48**	**273.46**	**338.84**	**557.87**	**17,723.44**	-	**19.63**
Depreciation for the year	-	129.43	-	456.53	2.50	0.82	15.17	26.84	631.29		1.37
Transfer of Railtel assets to Other Non Current Assets				(386.92)	(0.21)			(0.38)	(387.51)		
Impairment for the year									-		
Disposals	-			-	-			-	-		
As at March 31, 2022	**-**	**2,806.02**	**8,852.45**	**4,870.37**	**225.77**	**274.28**	**354.01**	**584.33**	**17,967.22**	**-**	**21.00**
Net carrying value:											
As at March 31, 2020	22,955.44	7,057.06	7.15	2,939.81	32.57	10.17	61.05	63.53	33,126.79	5,742.40	9.74
As at March 31, 2021	25,298.02	7,021.38	1,268.78	1,057.94	27.61	2.58	44.47	93.84	34,814.62	5,738.95	520.21
As at March 31, 2022	25,298.02	6,891.95	1,268.78	0.00	25.07	2.12	29.30	69.07	33,584.30	-	545.04

Note 1 The company has adopted fair value of assets as its deemed cost as at 1st April,2015 ie. transition to Ind AS.

Note 2 : The title deeds of immovable properties is in the name of the Company. In case of freehold land at Tiruvnamalai, Vizipura and KIADB land at Hoskote, the company has started the process of registering the lands in the name of the company. The total value of these land parcels is around Rs. 2012.28 lacs

UNITED TELECOMS LIMITED
Notes to the Financial Statements

Particulars	Amount in lacs (Rs.) As at March 31, 2022	March 31, 2021
Note: 3-Non Current Investments:		
I] INVESTMENT IN EQUITY SHARES		
i) Investment in Associates		
Quoted - Non-Trade		
- Trigyn Technologies Limited (44.51% of the share capital) 1,37,01,877 (March 31, 2021: 1,37,01,877) equity shares of Rs. 10/- each fully paid-up Market value as on 31st March 2022 is Rs. 18429.02 lacs	2158.03	2158.03
Unquoted - Non-Trade		
- United Power and Steel Alloys Ltd (36.37% of the share capital) 2,545,000 (March 31, 2021: 2,545,000) equity shares of Rs. 10/- each fully paid-up	254.50	254.50
- ITASCA Software Development Pvt. Ltd. (9.58% of the share capital) 1,059,006 (March 31, 2021: 1,059,006) equity shares of Rs. 10/- each fully paid-up	1705.00	1705.00
- United ERP Solutions Ltd (37.50% of the share capital) 75,000 (March 31, 2021: 75,000) equity shares of Rs. 10/- each fully paid-up	7.50	7.50
Unquoted - Trade In		
- Priyaraj Electronics Limited (30.55% of the share capital) 142,342 (March 31, 2021: 142,342) equity shares of Rs. 100/- each fully paid-up	6069.19	6069.19
- Andhra Networks Limited (48.70% of the share capital) 489,930 (March 31, 2021: 489,930) equity shares of Rs. 10/- each fully paid-up	48.99	48.99
- Gujarat Online Limited (14.29% of the share capital) 142,857 (March 31, 2021: 142,857) equity shares of Rs. 10/- each fully paid-up	121.00	121.00
	10364.22	10364.22
iii) Investment in Subsidiaries		
Unquoted - Non-Trade		
- India Software Labs Pvt Ltd (96.77% of the share capital) 300,000 (March 31, 2021: 300,000) equity shares of Rs. 10/- each fully paid-up	0.00	30.00
- United Thermal Power Corporation Ltd (91.03% of the share capital) 710,000 (March 31, 2021: 710,000) equity shares of Rs. 10/- each fully paid-up	0.00	71.00
- New Era Power Corporation Ltd (55.08% of the share capital) 64,116,500 (March 31, 2021: 64,116,500) equity shares of Rs. 10/- each fully paid-up	6481.48	6481.48
- UTL Technologies Ltd (98.86% of the share capital) 4,383,293 (March 31, 2021: 4,383,293) equity shares of Rs. 10/- each fully paid-up	443.37	443.37
- United Telecoms e-Services Pvt. Ltd (96.55% of the share capital) 280,000 (March 31, 2021.: 280,000) equity shares of Rs. 10/- each fully paid-up	125.00	125.00
- United Microelectronic Solutions Ltd (99.38% of the share capital) 8,126,800 (March 31, 2021: 8,126,800) equity shares of Rs. 10/- each fully paid-up	0.00	812.68
- United Wireless Technologies Ltd (93.13% of the share capital) 683,000 (March 31,2021: 683,000) equity shares of Rs. 10/- each fully paid-up	68.30	68.30
- United Sustainable Energy India P Ltd (73.75% of the share capital) 737,494 (March 31, 2021: 737,494) equity shares of Rs. 10/- each fully paid-up	73.75	73.75
- United Sustainable Energy India P Ltd- CCPS CCPS of Rs. 10/- each fully paid-up 81,824,750 (March 31, 2021: 66,669,830)	6831.38	6679.83
- United Surya Energy Ltd (97.45% of the share capital) 30,692,338 (March 31, 2021: 30,692,338) equity shares of Rs. 10/- each fully paid-up	3069.23	3069.23
Unquoted - Trade In		
- NSP Electronics Ltd (75.84% of the share capital) 28,250,000 (March 31, 2021: 28,250,000) equity shares of Rs. 10/- each fully paid-up	2825.00	2825.00
- Teleworld United P Ltd (99.64% of the share capital) 2,800,000 (March 31, 2021: 2,800,000) equity shares of Rs. 10/- each fully paid-up	280.00	280.00
	20197.51	20959.64
Less : Provision for Diminution in value of Investment	7.50	921.18
	20190.01	20038.46

UNITED TELECOMS LIMITED
Notes to the Financial Statements

iv) Investment in Others		
Quoted - Non-Trade		
- Industrial Development Bank Of India 1,440 (March 31, 2021: 1,440) equity shares of Rs. 10/- each fully paid-up	0.62	0.56
- State Bank of India 3,850 (March 31, 2021: 3,850) equity shares of Rs. 10/- each fully paid-up	19.00	14.03
Unquoted - Non-Trade		
- VITIB SA	75.09	75.09
	94.71	89.67
II] INVESTMENT IN OTHERS		
i) Mutual Fund		
Canara Robeco Consumer Trends Fund - Regular Growth 48,899.756 (March 31, 2021: 48,899.756) units	31.42	27.01
Nippon India Mutual Fund 440.805 units	4.41	4.30
ii) Others		
National Savings Certificates	0.06	0.06
	35.89	31.37
Total	**30684.84**	**30523.72**
a Aggregate amount of quoted investments	**2213.48**	**2203.92**
b Aggregate amount of unquoted investments	**28471.36**	**28319.80**

Investment in United Thermal Power Corporation Limited, India Software Labs Private Limited and United Microelectronic Solutions Ltd.

During the year, the company filed an application with Registrar of Companies for striking off these companies from their records. These companies have been struck off from ROC with effect from 04/05/2022. The company has written off investments amounting to Rs. 913.68 lacs in the current financial year. Provision for dimunition in value of these investments amounting to Rs. 913.68 lacs has also been reversed during the year.

Note: 4-Other Non-Current Assets:		
Advance Towards Land		
- New Era Power Corporation Ltd	0.00	48.03
- Others	55.15	13.00
Security Deposits	230.91	261.96
Others	16.29	16.29
Fixed Assets of Railtel held for settlement (Refer Note No. 64)	716.96	-
Total	**1019.32**	**339.28**

UNITED TELECOMS LIMITED
Notes to the Financial Statements

	Amount in lacs (Rs.)	
	As at	
	March 31, 2022	March 31, 2021
Note: 5-Inventories:		
Classification of Inventories:		
Raw Materials	1,450.46	1,346.32
WIP - Manufacturing	-	60.77
WIP - Services	592.37	2,654.31
WIP - Construction	-	-
Unbilled Services	-	-
Stock In Warehouse	163.93	161.44
Traded Goods	262.68	314.23
Estimated Salvage Value of Power Plant (Refer Note No. 59)	5,100.00	5,100.00
Total	**7,569.44**	**9,637.09**
Note: 6-Trade Receivables:		
Unsecured		
- Considered doubtful	79.91	79.91
- Considered good (Refer Note No. 72)	23,466.44	33,845.70
	23,546.35	33,925.61
Less : Allowance for bad and doubtful debts	79.91	79.91
Total	**23,466.44**	**33,845.70**
Note: 7-Cash and Cash Equivalents:		
Balances with Banks [*]	355.91	135.49
Cash on Hand	2.17	2.63
Fixed Deposit redeemable within 3 months	-	-
Total	**358.08**	**138.12**
* There are no earmarked balances with banks.		
Note: 8-Bank Balances other than (7) above:		
Fixed deposit (Maturity more than 3 months and less than 12 months) *	1,035.77	2,025.45
* The amount is under lien to Banks for Bank Guarantee		
Total	**1,035.77**	**2,025.45**
Note: 9 -Other Current Financial Assets:		
Interest accrued on FD	0.58	-
Total	**0.58**	**-**
Note: 10 -Current Tax Assets (Net) :		
Advance tax and TDS (net of provisions)	726.10	635.51
Total	**726.10**	**635.51**

UNITED TELECOMS LIMITED
Notes to the Financial Statements

Note: 11-Other Current Assets:

Advances to Suppliers	131.28	278.28
Other Advances		
- Related parties		
- NSP Electronics Ltd	635.51	445.44
- Promuk Hoffmaan International Limited	285.91	257.97
- Teleworld United Pvt Ltd	194.86	194.86
- Andhra Networks Ltd	296.56	265.29
- United Wireless Technology Ltd.	5.61	5.61
- United Thermal Power Corporation Ltd	-	12.91
- United Sustainable Energy India Pvt.Ltd	-	7.55
- New Era Power Corporation Ltd	15.18	-
- United Micro Electronic Solutions Limited	-	3.27
- India Software Labs Pvt Ltd	-	3.71
- UTL Technologies Ltd	506.34	499.69
- Gujarat Online Limited	3.04	2.39
- Itasca Software Developments Pvt Ltd	15.67	14.17
- United Surya Energy Pvt Ltd	326.06	199.24
- United ERP Solutions Ltd.	7.75	7.75
- United Power and Steels Alloys Limited	7.07	6.85
- Others	259.94	272.07
Excess TDS Paid on behalf of NBFC recoverable	4.72	4.72
Balance with Revenue authorities	223.06	216.73
Advance for Expenses	161.77	168.16
Estimated value of Scraped Fixed Assets	2.62	2.62
Prepaid Expenses	0.07	3.68
Total	**3,083.02**	**2,872.96**

UNITED TELECOMS LIMITED
Notes to the Financial Statements

	Amount in lacs (Rs.) As at March 31, 2022	March 31, 2021
Note: 12-Share Capital:		
Authorised:		
Equity Share Capital		
Equity Shares of INR 10/-	1150.00	1150.00
	1150.00	**1150.00**
Issued, Subscribed and Paid-up:		
Equity Shares of INR 10/- (No. of shares - Rs. 1,11,55,718)	1115.57	1115.57
Total	**1115.57**	**1115.57**

A The reconciliation in number of shares is as under:

	March 31, 2022	March 31, 2021
Number of shares at the beginning of the year	1,11,55,718	1,11,55,718
Shares Issued during the year	-	-
Number of shares at the end of the year	**1,11,55,718**	**1,11,55,718**

B Rights, Preferences and Restriction of Share holders: The company has only one class of Equity shares having par value of Rs.10/- each. The equity shares have rights, preferences and restrictions which are in accordance with the provision of law, in particular the Companies Act 2013. The dividend, if any, proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.

C Details of Shareholder holding more than 5% of aggregate Equity Shares of INR 10/- each

Name of share holder	31-Mar-22 Number of Shares	31-Mar-22 % to total share holding	31-Mar-21 Number of Shares	31-Mar-21 % to total share holding
Estate of Late C.Basavapurnaiah*	34,55,460	30.97%	34,55,460	30.97%
Mr. C.Venkateswara Rao	9,96,456	8.93%	9,96,456	8.93%
Mrs. P.Bhavana	11,99,524	10.75%	11,99,524	10.75%
Mr. P.Bharath	11,94,104	10.70%	11,94,104	10.70%
Mrs. Sandhya Rao	9,50,000	8.52%	9,50,000	8.52%
Mrs. C.Padmavathi	9,03,177	8.10%	9,03,177	8.10%
M/s. Andhra Networks Ltd	15,72,692	14.10%	15,72,692	14.10%

(i) * Estate of Late C.Basavapurnaiah erstwhile chairman of the company - The probate order of his will is challenged in the Honourable High Court of Karnataka and the Honourable High Court has stayed execution of the probate by the stay order dated 9th September 2019. The distribution of his shares to family members has not been given effect to in view of the stay order. Therefore, the total number of shares held by Late C.Basavapurnaiah has been shown against his estate.

D Shares held by Holding company : N.A.

E Shares held by Promoter at the end of the year :

Promoter Name	Number of Shares	% to total share holding	% change during the year
Estate of Late C.Basavapurnaiah*	34,55,460	30.97%	-
Dr. P. Raja Mohan Rao	3,26,873	2.93%	
Dr. P. Padmavathi	5,12,323	4.59%	
Mr. C.Venkateswara Rao	9,96,456	8.93%	-
Mrs. P.Bhavana	11,99,524	10.75%	-
Mr. P.Bharath	11,94,104	10.70%	-
Mrs. Sandhya Rao	9,50,000	8.52%	-
Mrs. C.Padmavathi	9,03,177	8.10%	-

E Particulars of shares issued for consideration other than cash, shares bought back and bonus shares in last five years:

i. Shares bought back -- NIL
ii. Issue of bonus shares – NIL.
iii. Shares issued on account of merger/Amalgamation -- NIL

F There are no shares reserved for issue under options, contract/ commitments for sale of shares/ disinvestments.

G There are no shares forfeited during the year.

H Particulars of calls in arrears by directors and officers of the company - NIL

I Security convertible into equity shares - NIL

UNITED TELECOMS LIMITED
Notes to the Financial Statements

	Amount in lacs (Rs.) As at	
	March 31, 2022	**March 31, 2021**
Note 13: -Other Equity:		
Other Reserves:		
Securities premium reserve		
Opening Balance	12,885.84	12,885.84
Add: Addition during the year	-	-
Closing Balance	**12,885.84**	**12,885.84**
General Reserve		
Balance as per last Balance Sheet	25.00	25.00
Other Comprehensive Income [FVTOCI] Reserve:		
Balance as per last Balance Sheet	35.94	26.32
[Less]/ Add: [Debited]/ Credited during the year	9.56	9.62
	45.49	35.94
Capital Reserve		
Balance as per last Balance Sheet	112.78	112.78
Retained Earnings:		
Opening Balance	83,859.90	83,879.58
Add: Profit for the year	442.24	256.04
Less: Adjustment	-	(275.72)
	84,302.15	83,859.90
Re-measurement gains/ [losses] on defined benefit plans [net of tax]	-	-
Closing Balance	**84,302.15**	**83,859.90**
Impairment Reserve	-	-
Total	**97,371.25**	**96,919.46**

Securities Premium Reserve

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

	Amount in lacs (Rs.) As at	
	March 31, 2022	**March 31, 2021**
Note: 14-Borrowings		
Secured		
Term Loan from Banks (Refer Note No. 57 for security provided)	1,298.07	1,711.91
Hire Purchase Term Loan from Bank (Refer Note No. 57 for security provided)	6.54	6.54
Term Loan From NBFC* ((Refer Note No.57 for security provided)	1,249.96	1,358.51
Unsecured		
Loans from Raaja Magnetics Ltd	94.60	286.82
Loan from Suresh Productions Pvt. Ltd.	657.08	846.66
Loans from Associates - United Telelinks (B'lore) Ltd **	3,166.63	2,320.35
Loans from Associates - Priyaraj Electronics Ltd	1,039.42	1,039.42
Total	**7,512.29**	**7,570.21**

* Term loan from NBFC - Indus Ind Bank assigned the above loan to Pegasus Group One Trust XXXI an Asset Reconstruction Company which is secured by securitisation of rentals of EPIP 88P. During the year, Pegasus Group One Trust XXXI assigned the above loan to ANA ARC Private Limited. The Closing balance in this account amounted to Rs. 1249.96 lacs as at 31st March 2022 (Previous year : 1711.91 lacs).

** The company took loan of Rs. 1765 lacs from IDBI Bank against security by way of pledge of United Telelinks (B'lore) Ltd., fixed deposit receipts. On default by the company, the bank encashed the entire fixed deposits and adjusted the proceeds towards the outstanding loan amount alongwith interest of the company as on 30th March 2019. During the year, fixed deposit of Rs. 846.28 lacs kept with IDBI Bank by United Telelinks (B'lore) Ltd. matured and the bank adjusted the same against the outstanding loan of UTL. The necessary documentation transferring the bank loan amount in favour of United Telelinks (B'lore) Ltd is still pending.The closing balance of the loan as on 31st March 2022 is Rs. 3,166.63 lacs (P.Y.: Rs. 2,320.35 lacs including interest). Since the company is undergoing financial crunch, it has requested the Board of United Telelinks (B'Lore) Ltd. to waive off the interest for FY 2021-22 and accordingly no provision for interest has been made during the current financial year.

A Details of Security pledged and carrying amounts of assets pledged as security for current and non current borrowings

i The company has availed Unsecured loan of Rs. 4206.05 lacs (Previous Year : Rs. 3359.77 lacs) from 2 of its associate companies to meet working capital requirement as stipulated by banks. No provision for interest has been carried out in the books of accounts for the current financial year as the company has requested the Board of Directors of both the associate companies to consider waiving off the interest.

Note: 15 -Provisions:		
Provision for Employee Benefits		
Gratuity	228.76	494.21
Leave Encashment	34.39	95.06
Total	**263.15**	**589.27**

UNITED TELECOMS LIMITED
Notes to the Financial Statements

Particulars	Amount in lacs (Rs.) As at March 31, 2022	March 31, 2021
Note: 16 -Other Non-Current Liabilities:		
Security Deposit		
- UTL Technologies Ltd	10.00	10.00
- Others	1,120.71	989.41
Other Advances		
- Related Parties	1,346.87	1,040.47
- Others	-	-
Total	**2,477.58**	**2,039.88**
Note: 17 -Borrowings		
Secured		
Working Capital Facilities from Banks	5,223.34	7,950.43
Total	**5,223.34**	**7,950.43**
Note: 18 -Trade Payables:		
Creditors for goods	1,527.74	11,379.92
Creditors for Expenses	1,539.26	1,485.61
Creditors for R&D	301.75	348.76
Creditors - MSME	71.28	167.68
Total	**3,440.04**	**13,381.97**
Note: 19 - Other current financial Liabilities		
Current maturities of Long-term debt		
Secured		
To Banks	-	-
Total	**-**	**-**
Note: 20 -Other Current Liabilities:		
Advance Received from Customers	-	98.11
Other Advances		
Statutory Liabilities (Refer Note No. 32 for undisputed statutory liabilities payable for more than 180 days)	1,915.22	1,649.33
Other Liabilities	513.00	1,030.79
Total	**2,428.23**	**2,778.23**
Note: 21 -Provisions:		
Provision for Warranty	-	-
Corporate Social Welfare Activity (Refer Note No.58)	-	15.08
Gratuity	48.15	48.40
Leave Encashment	8.73	-
Total	**56.88**	**63.48**

UNITED TELECOMS LIMITED
Notes to the Financial Statements

	Amount in lacs (Rs.)	
	Year ended	
	March 31, 2022	March 31, 2021
Note: 22 -Revenue from Operations:		
Sales of Products	15.06	11,914.21
Managed Service (IT, Telecoms)	7,235.64	4,360.27
Unbilled Services	525.00	-
Income from Power Generation	333.75	375.56
Rental Income on Properties	815.40	696.77
Total	**8,924.85**	**17,346.80**
Note: 23 -Other Income:		
Interest Income	59.45	138.29
Dividend Income	0.27	34.25
Reversal of excess provision	381.80	754.59
Reversal of excess provision for gratuity & leave encashment	267.99	-
Excess Provision for Expenses no longer required reversed	193.53	-
Miscellaneous Income	4.23	114.18
Sundry Creditors balances no longer payable written back	410.66	937.88
Total	**1,317.93**	**1,979.20**
Note: 24(a)-Cost of Materials Consumed:		
Raw Materials: [*]		
Stock at commencement	1,346.32	1,280.07
Add: Purchases	558.49	7,185.64
	1,904.82	8,465.71
Less: Stock at close	(1,450.46)	(1,346.32)
	454.35	7,119.39
Packing Materials consumed		
Total	**454.35**	**7,119.39**
[*] None of material individually accounts for more than 10% of the total consumption.		
Note: 24(b) -Purchase of stock in trade and Raw Material:		
Purchase of stock in trade	-	-
Total	**-**	**-**
Note: 25 -Changes in Inventories of Finished goods and stock in trade:		
Stock at commencement:		
Transfer to Construction Advance	310.55	
Stock in Trade	314.24	283.24
Stock at Warehouse	161.44	1,580.16
Unbilled Services	2,654.31	648.68
WIP -Manufacturing	60.77	4,033.88
	3,501.31	6,545.96
Less: Regrouping of opening stock	539.55	-
	2,961.76	6,545.96
Less: Transfer to Construction Advance	-	310.55
Stock in Trade	33.68	314.23
Stock at Warehouse	163.93	161.44
Unbilled Services	367.37	2,654.31
WIP -Manufacturing	-	60.77
	564.98	3,501.31
Total	**2,396.78**	**3,044.65**
Note: 26 -Employee Benefits Expense:		
Salaries, Wages and Bonus	1,489.66	1,292.81
Contribution to provident and other funds	31.48	91.95
Contribution to gratuity	-	33.13
Leave Encashment	10.34	13.01
Staff welfare expenses	19.51	21.03
Total	**1,550.99**	**1,451.94**

UNITED TELECOMS LIMITED
Notes to the Financial Statements

	Amount in lacs (Rs.)	
	Year ended	
	March 31, 2022	March 31, 2021
Note: 27 -Finance Costs:		
Interest expenses	2,012.50	2,363.42
Total	**2,012.50**	**2,363.42**
Note: 28 -Other Expenses:		
Power and fuel	170.88	102.11
Rent	56.78	47.57
Rates and Taxes	59.80	2,533.70
Repairs and Maintenance:		
- Plant and Machinery	54.47	16.11
- Building	116.89	28.92
- Others	102.90	62.09
Travelling, conveyance and vehicle expense	99.52	163.31
Auditors' Remuneration (Refer Note No. 33)	12.22	13.10
Donation	2.57	-
Advertisement and Sales Promotion	7.34	41.66
Communication expense	282.84	31.68
Loss on exchange fluctuations	0.42	-
Bad debts	452.70	0.21
Miscellaneous Expenses		
Insurance	13.88	21.97
Retainer and Consultancy	269.58	164.27
Postage and Courier	26.02	7.75
Printing and Stationery	11.89	51.57
Project related expenses	85.50	-
Royalty, Technical and License fees	141.16	285.60
Testing and Analysis	0.20	0.82
Vehicle running expense	39.63	32.58
Security Charges	57.44	76.25
Commission paid	2.92	11.69
Corporate Social Welfare Activity (Refer Note No. 58)	19.00	-
Director's Sitting fees	1.44	4.60
Research and development expenses (Refer Note No. 38)	106.06	-
Annual Maintanance Charges	29.48	24.29
Liquidated damages and penalty	-	154.33
Bank Charges	1.93	10.89
Block Credit under GST	1.82	55.89
Other Expenses	374.03	254.76
Advance not recoverable written off	19.89	-
Total	**2,621.20**	**4,197.73**
Note: 29 -Extraordinary Items		
Suppliers Credit balance unclaimed for more than 3 years written back	-	(4,742.35)
250 MW Power Plant Cost Written Off	-	7,724.49
Impairment provision made in earlier years in respect of 250 MW power plant written back	-	(3,400.00)
Insurance and Project expenses related to 250 MW power plant written off	-	213.44
Total	**-**	**(204.42)**

UNITED TELECOMS LIMITED
Notes to the Financial Statements

		Amount in lacs (Rs.)	
		Year ended	
		March 31, 2022	March 31, 2021
Note: 30-Earnings per Equity Share [EPS]:			
Profit after tax and before extraordinary items		574.29	51.62
Add/(Less): Extraordinary Items		-	204.42
Profit after tax and exceptional items		**574.29**	**256.04**
No. of equity shares outstanding as at year end		1,11,55,718	1,11,55,718
Weighted average number of equity shares used for calculating EPS		1,11,55,718	1,11,55,718
Nominal value of equity share	INR	10.00	10.00
Basic Earnings per equity share			
Profit after tax and before extraordinary items		**5.15**	**0.46**
Profit after tax and extraordinary items		**5.15**	**2.30**

Note: 31- Capital commitments, contingent liabilities:

Sr. No	Particulars	March 31, 2022	March 31, 2021
1	Guarantees given by Company's bankers	5,296.57	5,967.00
2	Demand by Service Tax department not accepted by the company and appealed against	2,400.00	-
3	Demand by sales Tax authorities not accepted by the company	111.58	111.58
4	Corporate Guarantee given to PTC Financial Services Ltd	8,088.00	8,088.00
5	Claim Against the Company	-	-

The management of the company has reviewed the contingent liabilities listed above, and in their opinion that there is no further loss/ liability likely to arise or accrued other than what is already provided.

Note: 32- Undisputed Statutory Dues:

Statutory dues outstanding for more than 180 days are as under:

Sr. No	Particulars	March 31, 2022	March 31, 2021
1	Service Tax	501.04	482.17
3	Provident Fund Contribution	74.04	28.16
4	ESIC Payable	59.83	21.96
5	Sales Tax	-	-
6	VAT	1.89	-
7	GST Payable	664.05	235.90
8	Professional Tax	4.10	1.11
9	TDS	60.07	95.17
10	TCS	3.32	3.32
11	Property Tax	44.63	41.80

During the year the company received notice from Department of Commercial Taxes, Bengaluru demanding service tax of Rs. 2406 lacs against the outstanding dues of Rs. 501.04 lacs. The company has filed an appeal in the Appelant Tribunal which has been accepted. The matter is pending for further hearing.

Note: 33- Remuneration to Auditors:

Particulars	March 31, 2022	March 31, 2021
Statutory auditors		
audit services	12.22	13.10
Total	**12.22**	**13.10**

Note: 34- Managerial Remuneration:

Particulars	March 31, 2022	March 31, 2021
Salary and Perquisites Paid to		
Managing Director	36.00	12.50
Whole Time Director	18.00	31.50
Total	54.00	44.00

Note:

a. The Salaries and Perquisites paid as above does not include gratuity and leave salary which is computed for all the employees together and also employer contributions to provident fund.

b. The computation of Net profit under section 198 of the Companies Act 2013 has not been given since no commission is paid or payable to any director during the year

Note: 35- Particulars of Raw material, Components, packing materials and stores and spares consumed / debited to profit and loss account:

Particulars	March 31, 2022		March 31, 2021	
Raw materials components and packing material consumed including traded products		454.35		9,105.76
Of which : Imported	13.86%	62.99	16.46%	1,499.21
: Indigenous	86.14%	391.36	83.54%	7,606.55

Note: 36- Details of Sale:

Particulars	March 31, 2022	March 31, 2021
DWDM NFS	-	9,209.32
Energy Meter	-	-
V Guard (Job Works)	14.79	60.02
Other Sales	0.26	156.57
Sales – Power	333.75	375.56
Network Equipment and other items		103.47
Total	**348.80**	**9,904.94**

Note : Current year figures are exclusive of GST.

Note: 37- Details of Service Rendered Inclusive of Taxes:

Particulars	March 31, 2022	March 31, 2021
Issue of Smart card	1,682.07	1,495.56
E-Governance income	5,352.35	5,175.60
AMC and Installation Service	-	168.22
Service Income	201.22	-
Rental Income	815.40	-
Total	**8,051.04**	**6,839.38**

Note : Current year figures are exclusive of GST.

Note: 38- Details for Research and Development Expenses :

Particulars	March 31, 2022	March 31, 2021
Retainer and Consultancy	39.79	28.63
Materials Consumed	17.43	98.79
Software consultancy/implementation for R&D Project	48.84	120.41
Miscellaneous Expenses	-	2.13
Salaries, Wages and Bonus etc., (clubbed under Employee Benefit Expenses in Note No. 26)	138.70	260.29
Development and Maintenance		2.78
EMR Expenses	-	3.03
Total	**244.76**	**516.06**

Rs. 26.20 lacs spent during the year has been shown under the head" intangible assets" in Schedule PPE.

Note: 39- Value of Imports on C.I.F basis:

Particulars	March 31, 2022	March 31, 2021
Raw materials and components (*including traded items)*	62.99	195.80

Note: 40- Earnings in foreign currency:

Particulars	March 31, 2022	March 31, 2021
Export of Goods on FOB basis	-	-

Note: 41- Expenditure in foreign currency:

Particulars	March 31, 2022	March 31, 2021
Finance Charges	-	-
Travelling Expenses	-	-
Salaries & Wages	-	-
Guest house rent & Expenses	-	-
Total	-	-

Note: 42- Segment Reporting :

Business Segments

The Company has considered business segment as the primary segment for disclosure. The products included in each of the reported domestic business segments are as follows:

1. **Sale of Products:**
   Manufacturing - Comprises of manufacture of telecom switching, transmission equipment and terminal products
   Others - Comprises of domestic as well as export trade in telecom & networking equipment, Mobile equipments, lap tops and solar products.
2. **E-governance and Other Services -** comprises of providing Wide Area Network services, GSM Services, annual maintenance service of telecom equipment.
3. **Issue of Smart Card** - comprises of capturing of individual data's and printing the same on Smart Card
4. **Real Estate** - comprises of Rental and Maintenance of building.
5. **Power Generation** – Solar Power

Note: 43- Working Capital Borrowings:

The company has availed working capital facilities from State Bank of India, Punjab National Bank (erstwhile Oriental Bank of Commerce), Canara Bank and IDBI Bank. Except State Bank of India all other banks have classified the company's accounts as Non Performing Asset. The sanctioned limits with these banks have expired and they have not been renewed by the respective 3 banks. During the year the company faced huge liquidity crunch in the realization of debtors. This has caused overdrawing in the working capital facilities at the year end. The bank facilities were overdrawn by Rs. 4,869.75 lacs (Previous year : Rs. 6,212.12 lacs). However, IDBI bank has been closed in full during the month of September 2022 and Canara Bank has been closed by assignment to ANA ARC Pvt. Ltd on 13th October 2022. Canara Bank had filed a case in DRT in September 2021 for recovery of dues from the company. The bank is yet to file withdrawal of petition with the court. Punjab National Bank has also filed a case against the company in DRT for recovery of dues. They have also filed an affidavit in High Court of Delhi for recovery of Rs. 3200 lacs out of the deposit pledged by BBNL towards the judgement amount.

Note: 44- Investment- Fair Value less than the cost:

The Investments are strategic and long term in nature. On transition to IND AS the company has opted to carry the investment in subsidiaries and associates at cost.

a) Quoted Non Trade Investment (Trigyn Technologies Limited) as at 31st March 2022 stood at Rs. 2158.03 lacs against the market value of Rs. 18429.02 lacs

b) During the year the company has written off its investment in 3 subsidiaries namely India Software Labs Pvt. Ltd., United Thermal Power Corporation Limited and United Microelectronic Solutions Limited amounting to Rs. 913.68 lacs as these subsidiaries have been voluntarily closed by the company by filing requisite application from ROC. Since the company had already provided for these investments in earlier years, there is no impact of the write off on the profit for the year.

c) One of the company's subsidiary - United Telecoms e-Services Pvt. Ltd has been struck off from Registrar of Companies records u/s. 560 as defunct company. The company did not have any material transactions with the subsidiary during the financial year. The company's investment in the share capital of this company is Rs. 125 lacs. No provision for dimunition in the value of this investment is considered in the current financial year as the company intends to revive this subsidiary.

d) Investment in 8 subsidiaries including investment in Compulsorily Convertible Preference Shares of United Sustainable Energy India Pvt. Ltd. as at 31st March 2022 stood at Rs. 20190.01 lacs. Majority of these subsidiaries have accumulated losses which are more than 50% of their share capital. The management of the subsidiaries are exploring various options to make them viable.

The management has started impairment test for all the subsidiaries which has got delayed due to several pressing issues faced by the company during the year. Pending result of the impairment test, no provision has been considered for dimunition in the value of the investments.

Note: 45- Development of Land for Export Promotion Industrial Park:

The Company had entered into Memorandum of Understanding with a land developer for developing of its land situated at # 113, 114 and 115 at Export Promotion Industrial Park. The developer abandoned the project midway. The Company took up the project and has completed substantial portion of the work. The bare shell is ready and various statutory approvals such as approval from Karnataka Fire Services Department, Airports Authority of India and others have been obtained by the company. Since the company intends to earn rental income by leasing space in this property, it has decided to transfer the amount spent so far i.e. Rs. 6497.51 lacs from Capital Work in Progress (CWIP) to Investment in Property.

Note: 46 - Provision for Income Tax

Income tax provision for the current year has been carried out as per normal provisions of the Income Tax Act.

Note: 47 - MAT Credit Entitlement

The company has accumulated MAT credit entitlement totaling Rs. 6717.64 lacs as on 31st March 2022.

Note 48: Deferred Tax Working

Deferred Tax Assets:

Particulars	Balance as at 31-03-2021	Arising during the year	Balance as at 31-03-2022
On account of :			
a) Depreciation Difference	941.48	-	941.48
b) Gratuity Provision	127.79	-	127.79
c) Leave Encashment	45.36	-	45.36
d) Unpaid Bonus	11.87	-	11.87
e) Disallowance on Expenditure	-	-	-
g) Warranty Provision	75.23	-	75.23
f) Provision for Bad debts	-	-	-
i) Unabosorbed Depreciation	3,398.52	-	3,398.52
Fair Value change in Building	-	-	-
Sub-total (A)	**4,600.26**	**-**	**4,600.26**
MAT Credit Entitlement (B)	**6,717.64**	**-**	**6,717.64**
Total (A+B)	**11,317.90**	**-**	**11,317.89**

Note for Deferred Tax

The company's deferred tax asset as at 31st March 2022 amounted to Rs. 4600.26. For the past several years the company's earnings are not enough to wipe out the carried forward losses under income tax. The uncertainty about future earnings of the company to claim the set off of deferred tax cannot be predicted at this stage. In view of the above, no adjustment for deferred tax during the year is considered.

Note: 49- Related Party disclosures :

a. **Relationship & name of related party**

Sr No	Particulars	Related Party	Relation
1	Enterprise under the common control of the Company	United Telecoms e-services Pvt Ltd (struck off by ROC) UTL Technologies Ltd India Software Labs Private Ltd (struck off with effect from 04/05/2022) United Surya Energy Ltd NSP Electronics Ltd United Microelectronic Solutions Ltd (struck off with effect from 04/05/2022 United Wireless Technologies Ltd New Era Power Corporation Ltd United Sustainable Energy India Pvt Ltd United Thermal Power Corporation Ltd (struck off with effect from 04/05/2022) Teleworld United Pvt Ltd	Subsidiaries
		Gujarat Online Ltd Priyaraj Electronics Ltd United Telelinks (Bangalore) Ltd Andhra Networks Ltd United ERP Solutions Ltd Itasca Software Development P Ltd Promuk Hoffman International Ltd United Power and Steel Alloys Ltd Powered EPC Services Ltd. Trigyn Technologies Ltd Leading Edge Infotech Limited Trigyn Technologies Inc., Trigyn Technologies Schweiz Gmbh Trigyn Technologies (India) Private Limited Embassy ANL Consortium	Associates
2	Enterprises in which Directors are interested	Alsephina Pvt. Ltd. Bangalore Electric Bus Pvt. Ltd. Intactus Lifesciences Pvt. Ltd. Indus Natures Hub Pvt. Ltd. Ayontec N.K.Travel Representation Pvt. Ltd. Tashka Healthcare Pvt. Ltd.	
2	Key Management Personnel	Dr. P. Raja Mohan Rao	Non Executive Chairman
		Dr. (Mrs) Padmavathi. P	Managing Director
		Mrs. Krantipriya Chakravarty Mitra	Whole Time Director with effect from 1st April 2021
		Mr. Nagesh Ramineni	CFO
		Ms. Dipika Todi	Company Secretary till 24th February 2022
		Ms. Payal Kumari	Company Secretary with effect from 20th July, 2022
3	Relative of KMP	Mrs. C. Padmavathi	Relative of KMP
		Ms. P. Bhavana Rao	Director
		Dr. Sandhya Chalasani Rao	Relative of KMP
		Mr C V Rao	Relative of KMP
		Mr. P. Bharath Rao	Relative of KMP

b. **Particulars of related party transactions during the year ended 31March,2022**

Nature of transactions		
a.Subsidiaries		
Transactions during the year		
	March 31,2022	**March 31,2021**
Purchase of Material/ Service	-	126.59
Rent Received	-	4.25
Expenses paid on behalf of the related parties	740.22	12.16
Expenses Incurred by company	-	180.75
Investment in Compulsorily Convertible Preference Shares (CCPS)	151.55	-
Advance for land	35.10	
Loans & Advances given	-	92.84
Loan & Advance Received	-	146.08
Land Advance paid	-	8.10
Balances as at year end		
	March 31,2022	**March 31,2021**
Debtors/ Advances Receivables	1,672.56	1,684.15
Advances/ Creditors Payables	177.14	-
Advance Towards Land	-	35.10
Investment (net)	20,190.01	20,038.46
Rent Security Deposit Received	10.00	10.00

b. Associates		
Transactions during the year		
	March 31,2022	**March 31,2021**
Purchase/(Sale) of Material/ services	-	7.94
Rent Paid	-	12.00
Rent received (unbilled)	225.00	-
Interest free refundable rent advance	205.00	-
Fixed deposit of associate adjusted against outstanding borrowings of the company	846.28	
Expenses paid on behalf of the related parties	170.00	23.91
Expenses of the company paid by associate company	4.70	2.37
Loan & Advance Paid	8.00	252.11
Loan & Advance Received	1.85	238.07
Unsecured Loan Received	-	100.00
Unsecured Loan Repayment Received	-	28.00
Unsecured Loan Paid	-	-
Interest Received	-	31.48
Interest paid	-	242.74
Dividend Received	-	34.25
Balances as at year end		
	March 31,2022	**March 31,2021**
Debtors/ Advances Receivables	432.58	371.06
Advances/ Creditors Payables		285.32
Interest free refundable rent advance	205.00	
Investment (net)	10,364.22	10,364.22
Loan Given	-	188.94
Loan Taken	3,282.51	3,359.77
Guarantee issued	8,088.00	8,088.00
c. Key Management Personnel		
Transaction during the year		
	March 31,2022	**March 31,2021**
Managerial Remuneration	36.00	44.00
Remuneration paid to CFO & Company Secretary	29.08	26.50
Rent	27.00	
Interest free refundable security deposit for rent	22.50	
Maintenance Charges	3.00	
Loan & Advance Paid	-	181.66
Amount Repaid	-	178.89
Balances as at year end		
	March 31,2022	**March 31,2021**
Interest free refundable security deposit for rent	22.50	-
d. Relative of Key Management Personnel		
Transaction during the year		
	March 31,2022	**March 31,2021**
Loan & Advance Paid	-	-
Loan & Advance Received	-	-
Balances as at year end		
	March 31,2022	**March 31,2021**
Advances/ Creditors Payables	918.77	922.09

Note: 50- Employee Benefits

Particulars	March 31,2022		March 31,2021	
	Current	Non-current	Current	Non-current
Gratuity	48.15	228.76	48.40	494.21
Compensated Absences (Leave Salary)	8.73	34.39	-	95.06

Gratuity

The company's liability towards gratuity is determined on the basis of year end actuarial valuations applying the Projected Unit Credit Method done by an independent actuary. While carrying out the actuarial valuation of gratuity, the following major assumptions are taken into consideration

	March 31,2022	March 31,2021
Salary Escalation (on Long term Basis)*	2.00%	5.00%
Discounted Rate	6.65%	6.98%
Withdrawal Rate	8.00%	15.00%
Expected Average Remaining working lives of employees (Years)	23.86	23.96
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Principal Plan Provisions	Payment of Gratuity Act 1972 as amended up to date	Payment of Gratuity Act 1972 as amended up to date
(Gain)/Loss on Plan Liabilities	-	152.12
% of Opening present value of Obligation	0.00%	1.19%
Benefit Paid	-	26.71

*salary escalation is considered at 2% for the first 2 years and 6% beyond year 3

Sensitivity Analysis:-

March 31,2022	Salary Escalation rate		Discount Rate	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Impact on statement of profit and Loss	16.07	(14.59)	(14.96)	16.72
March 31,2021	Salary Escalation rate		Discount Rate	
	Increase 1%	Decrease 1%	Increase 0.5%	Decrease 0.5%
Impact on statement of profit and Loss	38.49	(33.83)	(17.17)	18.51

Compensated Absence

The company has provided for liability towards leave salary based on actuarial valuation. The Company's liability towards leave salary is determined on the basis of year end actuarial valuations applying the Projected Unit Credit Method done by an independent actuary. The following major assumptions are taken into consideration.

Principal actuarial assumptions as at Balance sheet date:	March 31,2022	March 31,2021
Discount rate	6.65%	6.98%
[The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence with the currency and terms of the post-employment benefit obligations]		
Annual increase in salary cost	2.00%	5.00%
[The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market]		
Employee Attrition Rate (Past Services)	8.00%	15.00%
Expected average remaining services	23.86	23.96

Sensitivity analysis

March 31,2022	Salary Escalation rate		Discount Rate	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Impact on statement of profit and Loss	2.89	(2.63)	(2.70)	3.02
March 31,2021	Salary Escalation rate		Discount Rate	
	Increase 1%	Decrease 1%	Increase 0.5%	Decrease 0.5%
Impact on statement of profit and Loss	7.82	(6.95)	(3.62)	3.88

Defined Contribution Plan

The Company also has certain defined contribution plans. Contributions payable by the Company to the concerned Government authorities in respect of Provident Fund, Family Pension Fund and Employees State Insurance are charged standalone Statement of Profit and Loss. The obligation of the company is limited to the amount contributed and it has no contractual or any constructive obligation.

Note: 51- Financial Instruments

A. Accounting classification and fair values

March 31, 2022	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total
Financial assets				
Investments	-	55.45	30,629.39	30,684.84
Trade Receivables	-	-	23,466.44	23,466.44
Cash and cash equivalents	-	-	358.08	358.08
Bank Balance Other Than Above	-	-	1,035.77	1,035.77
Other current financial assets	-	-	0.58	0.58
Financial liabilities				
Non current Borrowings	-	-	7,512.29	7,512.29
Current Borrowings	-	-	5,223.34	5,223.34
Trade payables	-	-	3,440.04	3,440.04
Other Current financial liabilities	-	-	-	-

March 31, 2021	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total
Financial assets				
Investments	-	45.89	30,477.84	30,523.73
Trade Receivables	-	-	33,845.70	33,845.70
Cash and cash equivalents	-	-	138.12	138.12
Bank Balance Other Than Above	-	-	2,025.45	2,025.45
Other current financial assets	-	-	-	-
Financial liabilities				
Non current Borrowings	-	-	7,570.21	7,570.21
Current Borrowings	-	-	7,950.43	7,950.43
Trade payables	-	-	13,381.97	13,381.97
Other Current financial liabilities	-	-	-	-

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the company internally reviews valuation, including independent price validation for certain instruments. Further, in other instances, Company retains independent pricing vendors to assist in corroborating the valuations of certain instruments.

The fair value of the financial assets and liabilities are included at the amount at which the instrument that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date

The amount of fair value adjustment of the above financial asset and liabilities (except investment in unquoted securities which is fair valued through OCI) is considered to be insignificant in value and hence carrying value and the fair value is considered to be the same.

The carrying amounts of cash and cash equivalents, bank balance, advances, recoverable, trade receivable, trade payable, dues from subsidiary company, and other payables are considered to be the same as their fair values due to their short term nature.

Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instrument into three levels prescribed under the accounting standard.

Level 1 : Level 1 hirerachy includes financial instrument measured using quoted prices

Level 2 : The fair value of financial instrument that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possbile on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is inclued in level 2.

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022 and 31 March 2021

Particulars	Level	March 31, 2022	March 31, 2021	Valuation	Inputs used
a) Financial assets measured at fair value through other comprehensive income					
Investments	3	55.45	45.89	Discounted Cash Flow	Forecast cash flows, discount rate, maturity
b)Financial assets measured at amortised cost					
Investments	2	30,629.39	30,477.85	Discounted Cash Flow	Forecast cash flows, discount rate, maturity
Trade Receivables	2	23,466.44	33,845.70		
Cash and cash equivalents	2	358.08	138.12		
Bank Balance Other Than Above	2	1,035.77	2,025.45		
Other current financial assets	2	0.58	-		
c) Financial liability measured at amortised cost					
Non current Borrowings	2	7,512.29	7,570.21	Discounted Cash Flow	Forecast cash flows, discount rate, maturity
Current Borrowings	2	5,223.34	7,950.43		
Trade and other payables	2	3,440.04	13,381.97		
Other Current financial liabilities	2	-	-		

During the year ended 31 March 2022 and 31 March 2021 there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurement.

Note: 52(b)- 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. The Company's principal financial assets include cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Group's senior management is supported by senior financial advisors / executives who advises on financial risks and the appropriate financial risk governance framework for the Group which provides assurance to the Company's management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, currency risk. Financial instruments affected by market risk include loans and borrowings, deposits.

a Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There's no risk to the Company due to changes in market interest rates as the long - term borrowings of the Company are unsecured, interest free, and repayable on demand.

b Foreign currency risk:

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions primarily to USD. The company manages its foreign currency risk by natural hedging transactions that are expected to receive in USD and payable in USD

Company does not enter into derivative instrument in order to hedge its foreign currency risks.

Foreign currency sensitivity
The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant.

	31-Mar-22		31-Mar-21	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
2.5% movement				
USD	-	-	1,13,49,311.00	(1,13,49,311.00)

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 and from its financial activiities including deposits with banks and other financial instruments.

Liquidity risk

Liquidity risk, also known as funding risk, the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2022:

Particulars	Carrying Amount	On demand	Less than 1 year	More than 1 year
Borrowings	12,735.63	-	6,468.00	6,267.63
Trade Payable	3,440.04	3,440.04	-	-
Other liabilities	-	-	-	-

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2021:

Particulars	Carrying Amount	On demand	Less than 1 year	More than 1 year
Borrowings	15,520.64	-	6,830.43	8,690.21
Trade Payable	13,381.97	13,381.97	-	-
Other liabilities	-	-	-	-

Excessive risk concentration:

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures includes specific guidelines to focus on the maintenance of its operations. Identified concentrations of credit risks are controlled and managed accordingly.

Note: 53- Bank facility

Bank facilities classified as non-performing asset by respective banks

Working capital Borrowings - Balance Outstanding as at March 31st, 2022 -Rs. 5,223.34 lacs (Previous Year : Rs. 6,830.43 lacs) included in above balances, following amounts from banks are classified as NPA (Non Performing Assets) as at 31st March

Name of Bank	Sanction Limit	Outstanding as on 31.03.2022	Overdue, if any	NPA since when
Canara Bank	-	961.68	(961.68)	11.12.2015
Punjab National Bank (erstwhile Oriental Bank of Commerce)	1,700.00	2,938.46	(2,938.46)	31.03.2016
IDBI	500.00	969.61	(969.61)	20.05.2018

Since the above accounts are classified as NPA, sanctioned limits have expired and not been renewed by the respective banks. The entire outstanding as at 31st March 2022 is overdue

Note: 54- Details of foreign currency exposure:

The details of outstanding foreign currency exposure of the company, not covered by forward contract, as at March 31, 2022 ar

Particulars	Amount in USD		Amount in lacs (Rs.)	
	March 31,2022	March 31,2021	March 31,2022	March 31,2021
Financial Assets				
Trade Receivable	-	63,982.24	-	46.87
Financial liabilities				
Trade Payables	-	62,78,526.31	-	4,599.02
Net Exposure	-	(62,14,544.07)	-	(4,552.15)

Note: 55- Assets under Hire Purchase:

The minimum hire installments outstanding as on 31.03.2022 in respect of assets under hire purchase agreement as follows:

Particulars	Total Minimum Hire Charges Payable		Future interest on Minimum Lease Rent		Present Value of Minimum Lease Rent	
	March 31,2022	March 31,2021	March 31,2022	March 31,2021	March 31,2022	March 31,2021
Within one year	-	14.76	-	1.40	-	15.17
Later than one year and not later than three year	-	6.24	-	1.00	-	5.24
later than 3 years and not later than 5 years	-	-	-	-	-	-
Total	**-**	**21.00**	**-**	**2.40**	**-**	**20.41**

General Description of hire purchase terms

a. Hire charges are charged on the basis of agreed terms
b. Assets are taken on hire purchase over a period of 36 months to 60 months

Note: 56 -

The company had approached Reserve Bank of India (RBI) with an application for condonation of delays in submission of documents to the regulator in respect of investments made in overseas companies. The same is pending with RBI for final disposal. Pending approval of the request, the company has written off these amounts fully in the books of accounts.

S.No	Name of the company	Country	Amount in lacs
1	Lanka Internet Services Ltd	Sri Lanka	1,031.59
2	Chalm way Pty ltd	Australia	571.80
3	United Communication Ltd	Mauritius	758.56

The amount of penalty/compounding on company's application for condonation has not been decided by the Regulatory Authorities. The effect of the same on financial position is not ascertainable at this stage as such no provision has been made by the company.

Note: 57- Security for term loans and funded interest facilities from banks						
S.No	**Name of the Bank**	**Facility offered by bank**	**Limit (Rs. in crores)**	**Security Details**	**Value of the Properties (Rs. in crores)**	**Rate of Interest Charged on NPA**
A.	**Working Capital Facilities**					
1	IDBI Bank	Cash Credit LC/BG	5.00 75.00	1) Equitable Mortgage of land being vacant plot admeasuring 12300 sq. feet at site No. 321, Khata No. 131, Ruby Cottage, Inner Circle, Whitefield Bangalore belonging to Dr. P 2) Equitable Mortgage of land being plot No. 8/4, Whitley Layout, Whitefield Bangalore belonging to Rohit Packaging & Allied Industries (associate company) for the additional 3) Equitable Mortgage of Converted industrial land at Veeranahalli village in Survey Nos. 33/3 & 33/4 (3 items) 4) Equitable Mortgage of Converted industrial land at Veeranahalli village in Survey Nos. 33/1 & 33/2 belonging 5) Proposed Equitable Mortgage of converted industrial land at Veeranahalli village in Survey No. 38/3 6) Equitable Mortgage of Villa No. 05 in E1 of Chaitanya Oak Villa	65.00	
2	State Bank of India	Cash Credit	7.00	1) Pari passu charge on Land & Building situated at: No. 19/6/1, [old No.72] Rajajinagar Industrial Suburb, Ashokpuram Road, Yeshwanthpura, Bangalore, owned by the	20.00	
		BG	6.50	2) Pari passu second charge on Land & Building situated at No. 777 G, HAL 2nd stage, Indiranagar, 100ft Main Road, Bangalore, owned by M/s. Priyaraj Electronics Ltd.	20.00	
				3) Pari Passu second charge on Land & Building situated at No. 88 P1, EPIP Area, Whitefield Bangalore owned by the company	260.00	
3	Canara Bank	BG	75.00	1) Pari passu charge on Land & Building situated at: No. 19/6/1, [old No.72] Rajajinagar Industrial Suburb, Ashokpuram Road, Yeshwanthpura, Bangalore, owned by the	20.00	
		CA	-	2) Pari passu second charge on Land & Building situated at No. 777 G, HAL 2nd stage, Indiranagar, 100ft Main Road, Bangalore, owned by M/s. Priyaraj Electronics Ltd.	20.00	

				3) Pari Passu second charge on Land & Building situated at No. 88 P1, EPIP Area, Whitefield Bangalore owned by the company	260.00	
4	Punjab National Bank (erstwhile Oriental Bank of Commerce)	Cash Credit	17.00			
		LC	-			
		BG	2.00			
5	Dhanlaxmi Bank	BG	24.22	Equitable Mortgage of land and building in Survey No.18A and 19, Doddanakundi Phase II Industrial Area, KR Puram Hobli, Bangalore 560048, belonging to Priyaraj	160.00	
	Total		**211.72**			

S.No	Name of the Bank	Facility offered by bank	Limit (Rs. in crores)	Security Details	Value of the Properties (Rs. in crores)	Rate of Interest Charged on NPA
A.	**Term Loans**					
1	Dhanlaxmi Bank for Solar Project		22.00	Equitable Mortgage of land and building in Survey No.18A and 19, Doddanakundi Phase II Industrial Area, KR Puram Hobli, Bangalore 560048, belonging to Priyaraj	160.00	
2	State Bank of India		4.01	Equitable Mortgage of Property situated at S No. 58, 59/1 & 59/(B) A situated at Whitefield, Bangalore.)	60.00	
3	ANA ARC Private Limited		12.90	First charge on Land & Building situated at No. 88 P1, EPIP Area, Whitefield Bangalore owned by the	260.00	
	Total		**38.91**			

Term Loans are secured by personal guarantees of the promoters

Note: 58- Corporate Social Responsibility (CSR)

Details of CSR expenses are as follows :

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Amount Required to be spent	-	-	15.08
Amount Spent	-	19.08	15.08
Amount un-spent	-	-	-

Note: 59- 250MW Power Plant

The company conceived the 250MW thermal power plant project in the year 2010 when there was huge demand for power and there was acute shortage of power generation. The major part of the project consisting of used 250MW thermal power plant was procured from a New Zealand company. The total landed cost of the used power plant including dismantling, transportation, insurance and other incidental expenses to bring the power plant to Krishnapatnam Port in Andhra Pradesh amounted to Rs. 12729 lacs. The company incurred Rs. 880 lacs towards pre-operative expenditure which included project report, clearances and other expenses. Considering undue delay in obtaining clearances and approval of DPR, source of funding and also the effect of slow down of private investment in the power sector on account of competition from renewal energy developers, the company had to pull out from the proposed power project since the cost of power generation was much higher compared with the prevalent market rates. Thus the project became unviable and the imported power plant became surplus and was held for sale. The company made provision for impairment in the financial years 2017-18, 2018-19 and 2019-20 totaling Rs. 3400 lacs. The power plant is bonded at Krishnapatnam Port and the Customs authorities have permitted the company to re-export the same before 31st December 2022. Earlier the company attempted to re-export the thermal power plant and got an offer for USD 8 Million dollars from a South African party. However, they backed out from the commitment to buy the power plant. The company had estimated the salvage value of the power plant at Rs. 5100 lacs and it had accordingly written off Rs. 7938 lacs (including insurance and project clearance expenditure) after deducting the salvage value to the statement of profit and loss in FY 2021-22. Further the company had reversed the rent provision of Rs. 571 lacs made in earlier years to Port Authorities in FY 2021-22. The company is now in discussions with several prospective buyers and it has received an oral offer from one prospective buyer for Rs. 6200 lacs (subject to several conditions). Since this offer is more than the salvage value recorded in the books, the company has decided not to make any provision for the same in the current financial year. The estimated salvage value of the power plant is shown the under the head "inventories" (Note No. 5) in the financial statements for the year ended 31st March 2022

Note: 60 - Property, Plant & Equipment – (PPE):

a During the year, PPE have been physically verified by the management. There are no discrepancies between the book records

b The Title Deeds of all the immovable properties are held/registered in the name of the Company. The company is in the situated at Tiruvanamalai, Vizipura, Bangalore and KIADDB land at Hoskote, Bangalore amounting to Rs. 2012.28 lacs. There done mostly on account of several cumbersome compliances and registration formalities that needs to be complied with.

c Capital Advances have been included under non-current assets. Loans and advances and are not included under PPE.

Note: 61 - Inventory:

The inventory comprising of raw material and finished goods is physically verified by the management at regular intervals. As per the policy of the company the same has been valued at cost or realisable value whichever is lower. The valuation has been

Note: 62 - Arbitration case filed by the company against Bharat Broadband Network Ltd (BBNL)

In the above arbitration case the facts and matters of dispute in brief is as under :

The company was awarded advance purchase order (APO1) for Rs. 29100 lacs by BBNL in September 2014. APO1 was for supply, installation, commissioning and maintenance of Gigabit Passive Optical Network (Gpon) equipments and Solar power equipments, to be completed by May 2015. Components for the equipments were imported and then assembled at the company's factory site conforming to the technical specification certificate from BBNL. The equipments were then dispatched to the various sites in lots for installation. The company had supplied equipments and billed to the tune of Rs 8076 lacs by 31st May 2015. 60% payment amounting to Rs. 4800 lacs was received with considerable delay after deducting liquidated damages to the tune of Rs. 1200 lacs. Installation of the equipments was linked to laying of optical fibres which was undertaken by Bharat Sanchar Nigam Limited (BSNL). Since there was delay on the part of BSNL in laying the optical fibres, installation of the equipments were delayed. Balance payment of 30% amounting to Rs. 2400 lacs was not paid due to which the company could not meet the LC commitments with the banks. Due to certain rethinking on the technology aspects of the project at the highest level of BBNL, the company was asked to hold further supplies. The company had opened LCs to the tune of Rs. 12000 lacs from its working capital facilities with IDBI Bank, Canara Bank and Oriental Bank of Commerce (now merged with Punjab National Bank) with a view to meet the supplies schedule. Holding of supplies led to piling up of inventory to the tune of about Rs. 4500 lacs procured for the Gpon project, aggravating the cash flow problem of the company. The company was unable to meet LC commitments rendering the accounts with IDBI Bank, Canara Bank and Oriental Bank of Commerce (now merged with Punjab National Bank) as irregular. The company had submitted performance bank guarantees of Rs. 2922 lacs (Rs. 2422 lacs from Dhanalaxmi Bank and Rs. 500 lacs from Canara Bank) to BBNL in 2014. The company was awarded APO2 for Rs. 58900

As UTL could not complete the APO1 in time due to the above reasons, BBNL had invoked the performance bank guarantees which aggravated the irregularity position. The company followed up with BBNL for recovery of outstanding dues which included loss on account of wrongful deduction of liquidated damages, wrongful invocation of bank guarantees and cost incurred in keeping the bank guarantees alive. UTL filed for arbitration proceedings with the Arbitration Tribunal in January 2017 claiming damages and losses. After prolonged discussions and cross examining the witnesses/employees, the arbitration order was issued in favour of the company wherein the arbitrator allowed payment of a sum of Rs 69.77 crores with interest @ 12% from 27.4.2017 up to 90 days from 9th July 2018 (date of award) towards i) loss on account of illegal/wrongful deduction of LD, ii) wrongful/illegal invocation of bank guarantees iii) outstanding dues payable by BBNL and iv) cost incurred in keeping the Performance Bank Guarantee (PBG) for Rs 29.22 crores alive. The arbitrator also directed BBNL to return the PBG to the company forthwith. BBNL chose to appeal against this order in the High Court of New Delhi and requested to change the Arbitrator appointed by them. However, Honorable High Court rejected their request. BBNL then filed an appeal with the Honorable Supreme Court which directed the Honorable High Court to appoint the Arbitrator from Judiciary. Justice M.Jagannadha Rao (Rtd.) was appointed as Sole Arbitrator in the matter and the award given by the Arbitration Tribunal was set aside. Justice Rao pronounced the judgement in the matter of APO2 on 6th June, 2021 in favour of the company directing BBNL to pay Rs. 71.52 crores with further interest of 6%. BBNL filed an appeal with the Honourable Delhi High Court against the arbitration award given by Justice M.Jagannadha Rao. The company has requested its bankers (Punjab National Bank) to request the court to release the bank guarantees so that the same can be adjusted against their borrowings. The bankers have approached the courts and the matter is posted for hearing on 23rd February 2023.

Note: 63- Arbitration case filed by the company against Electronic Corporation of Tamil Nadu (ELCOT)

The company, in the year 2012, alongwith Shenzhen EMC Technologies Co. Ltd., China and Arunachala Impex Private Limited as consortium partners participated in a tender floated by Electronic Corporation of Tamil Nadu for supply of 7,84,000 laptops. The company was awarded contract for supply of 2,50,000 laptops and backpacks vide PO dated 17/12/2012. ELCOT requested the supply in 2 tranches of 120,000 and 130,000 numbers. The company submitted bank guarantee for this project amounting to Rs. 12.59 crores and periodically extended the same. ELCOT failed to pay as per schedule of payment and the company preferred to go for arbitration and claimed an amount of Rs. 81.60 crores consisting of the following :

S. N	Particulars	Amount in Rs. Lacs
1	Release of sum withheld as LD	1,091.32
2	Release of balance sum due	0.90
3	Loss due to reduction of quantity	1,918.80
4	Loss of opportunity	3,367.49
5	Loss due to roll over of LCs	53.19
6	Interest	1,728.87
	Total	**8,160.57**

The Honorable Arbitrator Retd. Justice Dr. P Jyothimani after perusing all the documents submitted by both parties and cross examination of witnesses passed an award on 10/03/2021 in favour of the company for Rs. 1729 lacs (comprising of Rs. 90,982 as balance sum due and Rs. 1728 lacs as interest). While passing the order, arbitrator has disallowed company's claim towards withholding of LD amount of Rs. 10.91 crores, loss of reduction in quantity of Rs. 1919 lacs, loss due to rollover of LC - Rs. 53.19 lacs and loss of opportunity of Rs. 3367 lacs. ELCOT has challenged the arbitration award in the Honourable High Court of Tamil Nadu. Both the company and ELCOT has submitted their replies and the matter is posted for final arguments in the first week of December 2022.

Note: 64- Railtel Project

The company signed an agreement with Railtel Corporation of India Limited ("Railtel") (a Government of India Undertaking) in 2013 for jointly creating telepresence as a service business with equal responsibilities and providing the services as a Multi Utility Partner (MUP). UTL was to invest, procure, install, commission and provide the support services to the T-Pass clients and customers. Railtel was to provide the bandwidth for networking. Due to reduction of broadband charges by telecom operators and with the availability of other platforms for video conferencing, the competition became tough and enough business could not be created for making this project viable. The company kept on supporting Railtel for providing the required services. Railtel unilaterally issued the termination notice to the company on 12/06/2019. The company replied to Railtel on 01/07/2019 citing reasons for continuing the association.

As per the agreement, Railtel paid Rs 6.17 crores till 30th May 2017 towards subscription amount. The company had invested around Rs. 18 crores towards infrastructure for this project and had incurred Rs. 316 lacs as finance cost to service the project. The company also paid operations and field staff salaries amounting to Rs. 200 lacs. Railtel terminated the agreement on 24/10/2019.

The company has claimed Rs. 673 lacs as balance subscription amount till 30th September 2019, Rs. 409 lacs as depreciation for the infrastructure deployed and Rs. 316 lacs as finance cost incurred for this project. Total claim of the company amounted to Rs. 1398 lacs. Railtel has disputed the company's claim and raised a counter claim of Rs. 48 lacs on the company.

Presently around Rs. 716.96 lacs (written down value) of fixed assets comprising of End points, Network Operating Center and Smartnet is being carried forward in the books of accounts of the company as at 31st March 2022. These assets are in the possession of Railtel Corporation. The company has transferred these assets from Property, Plant and Equipment and shown the same under the head "Other Non Current Assets" pending settlement of the matter with Railtel. During the year the company has also written off Rs. 143.41 lacs of Trade receivables from Railtel as bad debts. The company has given bank guarantee of Rs. 100 lacs to Railtel Corporation which is outstanding.

Note: 65- Loans and advances

The Company had over several years given advances to its subsidiaries and its associates amounting to Rs. 2451.11 lacs as at 31st March, 2022 (Previous Year : Rs. 2248.90 lacs) to meet certain expenditures. As the subsidiaries and associates have accumulated losses and in some cases no business activity, the recovery of these advances appears to be difficult. No provision has been made as the management is considering options for revival of some of the subsidiaries and its associates. One of the company's subsidiary - United Telecoms e-Services Pvt. Ltd has been struck off from Registrar of Companies records u/s. 560 as defunct company. The company has received advance of Rs. 176.77 lacs from this related party in earlier years. The company has written off advances amounting to Rs. 19.89 lacs given to 3 subsidiaries which have been struck off during the current financial year.

Name of the Company	Relationship	Amount written off (Rs. In lacs)
United Thermal Power Corporation Limited	Subsidiary	12.91
India Software Labs Private Limited	Subsidiary	3.71
United Microelectronic Solutions Ltd.	Subsidiary	3.27
	Total	**19.89**

Note: 66- :

Suppliers covered by Micro, Small and Medium Enterprises Development Act, 2006 (the Act) and Industrial (Development & Regulation) Act, 1951.

a As represented by the management Based on the details regarding the status of the suppliers, to the extent obtained, some suppliers are covered under the Micro, Small and Medium Enterprises Development Act, 2006. The auditors have relied upon the management information in this regard.

b To the extent information available with the company, the company does not owe any sum to small scale industrial unit as defined in clause (j) of Section 3 of the Industrial (Development & Regulation) Act, 1951. The auditors have relied upon the management information in this regard.

c As represented by the company, the company owes a sum of Rs. 71.28 lakhs to micro enterprises and small enterprises. Accordingly, the company has made a separate disclosure under Trade Payables in Part I – Balance Sheet as required by the notification dated 04th September, 2015 pertaining to alterations in Schedule III issued by MCA.

d In respect of above the auditors have relied upon the management information in this regard.

Note: 67- :

During the year, the independent confirmations are not obtained for Long and short term liabilities and loans and advances except bank borrowings and unsecured loans. Similarly, related party balances are subject to confirmation by respective parties

Note: 68 - Sale of pledged sales of Trigyn Technologies Limited :

With an intention to avail credit facilities to the tune of Rs. 5 crores, the company approached Godavari Commercial Services Pvt. Ltd. ("GCSPL") and Coastal Fertilizer Limited ("CFL"). The company offered to pledge 457,143 shares of Trigyn Technologies Limited (TTL) – an associate company as collateral security to GCSPL and CFL. Prabhudas Liladhar Financial Services Limited ('PLFSL') was having an understanding in part with GCSPL and CFL which pertains to granting loan limits. Thus on request of GCSPL and CFL, the company pledged 457,143 shares of TTL with PLFSL by executing pledge/hypothecation forms as collateral securities for the loan facility on 23rd August 2016. After pledging of shares in favour of PLFSL, GCSPL disbursed Rs. 70 lacs on 4th October 2016 and Rs. 20 lacs on 26th October 2016. GCSPL disbursed only Rs. 90 lacs to the company as credit facility instead of Rs. 5 crores which was agreed and acknowledged between the parties. The company repaid Rs. 91.30 lacs i.e. Rs. 90 lacs principal plus interest to GCSPL on 30th March 2017. Inspite of the loan amount being fully repaid to GCSPL, TTL shares pledged with PLFSL were not released. PLFSL subsequently sold TTL shares as GCSPL and CFL defaulted in repayment of loan taken by them from PLFSL. The company approached Bombay City Civil Court for recovering the pledged shares. The Honourable City Civil Court has referred the matter for arbitration. Final notice has been issued to all the Respondents and the matter is kept for orders.

Note: 69- : Sundry Debtors

a Sundry debtors outstanding as at 31st March 2022 (more than Rs. 5 Crores) are given below :

Name of the Party	Amount
Bharat Broadband Nigam Limited	5,645.81
Bharat Shanchar Nigam Limited*	6,364.67
Himachal Futuristic Communications Ltd	4,296.42
Keltron - Kerala	715.83
Infotech Corp of Goa Ltd	531.25
Directorate of Information Technology, Goa	841.82
ELCOT - Tamilnadu	1,092.56
APTS - Andhra & Telangana	998.15

*As per the terms of payment with Bharat Sanchar Nigam Limited the outstanding balance will be received in tranches circle-wise. There is no dispute in respect of these outstandings.

b The above receivable also excludes Rs. 328.41 lacs from Motorola India Limited outstanding for more than 5 years where a recovery suit has been filed.

c The confirmations of balances from major clients have not been received. The past experience of the management is that Government parties/enterprises have not confirmed their balances.

Note: 70- Block Assessment under the Income Tax Act for assessment years 2013-14 to 2019-20

The Income Tax department had carried out search action under section 132 of the Income Tax Act, 1961 on 29/08/2018. Consequent to the search proceedings, notice under section 153A was issued on 26/03/2019. Subsequently notice u/s. 143 (2) was issued on 21/05/2019. Thereafter notice under section 142(1) alongwith questionnaire was issued to the company on 04/11/2020 calling for details. Show cause notice was issued to the company on 22/04/2021. Hearings were held on 31/05/2019, 13/11/2020 and 24/04/2021 respectively. The department completed block assessment for 7 years and passed an order u/s. 153A of the Income Tax Act, 1961 dated 16th September 2021. Barring the assessment years 2013-14, 2014-15 and 2016-17, where the department has raised demand for Rs. 39.94 lacs, Rs. 237 lacs and Rs. 8,744 respectively, there is a refund receivable by the company for the remaining assessment years amounting to Rs. 638 lacs. The company believes that the department has erred in making certain additions in the above block assessment orders. The company has filed appeal against the above orders. No date of hearing for the appeal has been fixed so far

Note: 71- : Cases in Arbitration as at 31st March, 2022

a	United Telecoms Ltd. Vs. Electronic Corporation of Tamil Nadu	1092 lacs	In this arbitration matter, the Honorable Arbitrator Retd. Justice Dr. P Jyothimani after perusing all the documents submitted by both parties and cross examination of witnesses passed an award on 10/03/2021 in favour of the company for Rs. 1729 lacs (comprising of Rs. 90,982 as balance sum due and Rs. 1728 lacs as interest as against balance in company's books of Rs. 1092 lacs). While passing the order, arbitrator has disallowed company's claim towards withholding of LD amount of Rs. 1091 lacs, loss of reduction in quantity of Rs. 1919 lacs, loss due to rollover of LC - Rs. 53.19 lacs and

b	United Telecoms Ltd. Vs. Karnataka State Wide Area Network Limited	900 lacs	Arbitration award is given in favour of the company in the year 2016. The company has since received Rs. 450 lacs (Rs. 300 lacs in FY 2017-18 and Rs. 150 lacs in FY 2018-19). The company is awaiting reply from the arbitrators regarding the balance amount to be received by the company with interest.
c	United Telecoms Ltd. Vs. Bharat Broadband Network Limited	5686 lacs & 1748 lacs - BG invoked	Justice M. Jagannadha Rao (Rtd.) pronounced the judgement in the matter of APO2 on 6th June, 2021 in favour of the company directing BBNL to pay Rs. 7152 lacs with further interest of 6%. In respect of AP01, Justice M. Jagannadha Rao (Rtd.) has resigned in September 2021. BBNL filed an appeal with the Honourable Delhi High Court against the arbitration award given by Justice M.Jagannadha Rao. The matter is posted for hearing on 23rd February 2023.
d	Luminous Power Technologies Pvt. Ltd. vs United Telecoms Ltd.	20.67 lacs	Arbitration award was given against the company by the Delhi Arbitral Tribunal. The company has filed an appeal before the Dist. Judge Tiz Hazari (New Delhi) on 25.02.2020. The respondent company has filed their reply. The matter is posted for hearing.

Status of Civil Appeals filed by the company

a	United Telecoms Ltd. Vs. Commissioner of Customs, Bangalore	289 lacs	The matter is pending before Supreme Court of India. Stay on recovery is granted on 17.11.2020

Status of other litigations

a	Chalasani Venkateshwara Rao (CVRao) and others Vs. United Telecoms Ltd. & Others		Mr. CV Rao (former Managing Director of the company) filed a petition in the year 2019 with NCLT Bengaluru bench against the company and others under Section 241 and 242 of the Companies Act, 2013. NCLT Bengaluru heard the matter and dismissed the petition on the ground that Mr. CV Rao made vague allegations on the affairs of the company rather than to establish prima facie case with acts of oppression and mismanagement. The NCLT also dismissed the case on the count that the petition did not meet the threshold criteria under Section 244 of the Companies Act, 2013. In the result, C.P. No.82/BB/2019 is hereby dismissed as devoid of any merit. I.A No.465 of 2020 and all other pending IA's, if any, also stands dismissed as infructuous. A fresh petition has been filed by C.V.Rao and others in NCLAT, Chennai. The matter is posted for hearing on 29th November 2022.
b	United Telecoms Ltd. Vs. Motorola India Pvt. Ltd.	328.41 lacs	The matter is pending before High Court of Mumbai. The matter is placed on board for direction to ascertain whether the suit is in the nature of commercial or not.

In respect of litigations filed against the company, the company expects no cash outgo.

Note: 72: MSME creditors - Settlement of dues

During the year, two vendors of the company who had supplied fabricated metal products filed an application with Micro and Small Enterprises Faciliation Council, Bengaluru for delayed payment claiming amount of Rs. 70.51 lacs. After several rounds of negotiation, both the vendors agreed for settlement of the matter if the company paid the principal dues. Despite severe financial crunch, the company made arrangements to settle both the vendors and the they have been paid in full in August and September 2022.

Note: 73: Going Concern

As at 31st March 2022, the company's current liabilities do not exceed its current assets. Though the company's working capital borrowings have been declared as NPA by 3 out of 5 banks mainly on account of devolvement of LCs and invoking of bank guarantees, the company has managed to meet its trade liabilities. The management is exploring several options to raise long term funds which will help them to prevent disruption of its business operations. The company has received favorable awards in 2 arbitration matters amounting to around Rs. 9000 lacs. The parties being Government entities have preferred to go on appeal at the higher forum and immediate cashflow on account of the awards is not expected. The company's existing projects are contributing to the day-to-day operations and the company is vigorously following for recovery of its trade receivables so that the cash flow situation will improve. The company has not incurred losses during past few years and it does not have any accumulated losses. In view of what is stated above, the management has prepared the financials on a going concern basis.

Note: 74 Public deposit: :

The Company has not accepted any deposit within the meaning of Sections 73 to 76 of Companies Act 2013 and the rules framed there under. The Auditors has relied upon management representation in this regard.

Note: 75:- Contingent Liabilities :

The company has disclosed Contingent Liabilities in the notes above. The management of the company has reviewed all the pending litigation and is of the opinion that no further provision is required impacting the financial position of the company.

Note: 76- Long term contracts and derivatives contract :

The Management of the company has reviewed all the long-term contract as on 31st March, 2022 and confirmed there is no foreseeable loss requiring provisions in the accounts. The company has not entered into derivative contract during the year ending 31st March 2022.

Note: 77- Investor Education and Protection Fund :

During the year there is no amount required to be transferred to Investor Education and Protection Fund by the Company.

Note: 78- Previous year figures:

a The previous year figures have been reclassified to conform to this year's classification wherever required.

b The figures in brackets represent those of the previous year.

For P. B. SHETTY & CO.
Chartered Accountants
ICAI FR No.110102W

S/D
Brijesh Shetty
Partner
Membership No. 131490
UDIN No: 22131490BEPYYN1959

Place : Mumbai
Date : 1st December, 2022

For and on behalf of Board of Directors

S/D
Mr. Venkateswaralu Mungala
Director
DIN : 02511158

S/D
Dr. P Padmavathi
Whole Time Director
DIN : 00155153

S/D
Payal Kumari
Company Secretary
Membership No. A68084

S/D
R M Nagesh
Chief Financial Officer
PAN : ADXPR3731P

Bengaluru, Dated: 1st December, 2022

Annexure 3 - Details of Loans and advances granted - Point (V) of Annexure 1 of Notes to Financial Statements

Sl No	Type of Borrower	Name of the Borrower	Amount of Loan or Advances outstanding as at 31.03.2022	% of total Loans and Advances
			Amount in Rs. Lacs	
1	Related Party	NSP Electronics Ltd	635.51	27.64
2	Related Party	Promuk Hoffmaan International Limited	285.91	12.43
3	Related Party	Teleworld United Pvt Ltd	194.86	8.47
4	Related Party	Andhra Networks Ltd	296.56	12.90
5	Related Party	United Wireless Technology Ltd.	5.61	0.24
6	Related Party	New Era Power Corporation Ltd	15.18	0.66
7	Related Party	UTL Technologies Ltd	506.34	22.02
8	Related Party	Gujarat Online Limited	3.04	0.13
9	Related Party	Itasca Software Developments Pvt Ltd	15.67	0.68
10	Related Party	United Surya Energy Pvt Ltd	326.06	14.18
11	Related Party	United ERP Solutions Ltd.	7.75	0.34
12	Related Party	United Power and Steels Alloys Limited	7.07	0.31
			2,299.56	

Annexure 2 - Ratios to Point (xiv) of Annexure 1 of Notes to Financial Statements

Sl No	Particulars	Numerator	Denominator	Numerator	Denominator	As at 31st March, 2022	Numerator	Denominator	As at 31st March, 2021	Change	Disclosure of Reasons for Change in the ratios by more than 25%
1	Current Ratio	Current Assets	Current Liabilities	36,239.43	11,148.48	3.25	49,154.82	24,174.10	2.03	60%	Change is majorily on account of reduction in trade receivables and reduction in trade payables and borrowings
2	Debt -Equity Ratio	Debt= long term borrowing	Equity= Equity capital + Reserve and Surplus	12,735.63	98,486.82	0.13	15,520.64	98,035.03	0.16	-18%	
3	Debt Service Coverage Ratio	Net Profit before Interest, Taxes, Depreciation and Amortization (EBITDA)	Debt Service = Interest & Lease Payments + Principal Repayment dues for the year	3,219.46	4,797.51	0.67	3,716.73	2,363.42	1.57	-57%	Major change in DSCR is on account of repayment of certain borrowings during the year.
4	Return on Equity Ratio	Net profit after taxes- Preference Dividend, if any	Average shareholders' Equity	451.80	98,486.82	0.46%	265.65	98,035.03	0.27%	69%	Return on Equity ratio has improved from 0.27% to 0.46% mainly on account of profits
5	Inventory Turnover Ratio (Number of times)	Cost of Goods Sold	Average Inventory= [(Opening Inventory + Closing Inventory) /2]	454.35	1,033.82	0.44	7,119.39	8,407.22	0.85	-48%	Inventory ratio has been impacted largely on account of reduction in inventory due to decline in manufacturing activity
6	Trade Receivable Turnover Ratio (Number of times)	Total Net Sales	Average Trade receivables = [(Opening Receivables + Closing Receivables) /2]	8,924.85	28,656.07	0.31	17,346.80	29,012.86	0.60	-48%	The change in trade receivable turnover ratio is on account of reduction in the trade receivables
7	Trade Payable Turnover Ratio (Number of times)	Total Net Purchases	Average Trade Payables= [(Opening Payables + Closing Payables) /2]	558.49	8,411.00	0.07	7,185.64	14,303.57	0.50	-87%	The change in trade payable turnover ratio is on account of reduction in the trade payables
8	Net Capital Turnover Ratio (Number of times)	Total Net Sales	Average Working Capital= [(Opening Working Capital+Closing Working Capital)/2]	8,924.85	25,035.84	0.36	17,346.80	26,761.26	0.65	-45%	The change is mainly on account of reduction in net sales of the company
9	Net Profit Ratio	Net Profit after tax	Total Net Sales	451.80	10,242.78	0.04	265.65	19,326.01	0.01	221%	Mainly on account of increase in profits of the company
10	Return on Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability-Deferred Tax Asset	2,586.79	99,904.57	0.03	2,683.96	1,02,237.76	0.03	-1%	
11	Return on Investment	Net income from Investment	Net Investment	59.72	30,684.84	0.00	172.55	30,523.72	0.01	-	

Note: The data and the relevant computed Ratios are considered as per the Guidance Note on Division II- Ind AS Schedule III to the Companies Act, 2013 (as Revised January 2022 edition) isuued by ICAI

Annexure 1	
Additional Regulatory Information as required under clause (L) in Part I, Division II of Schedule III of the Companies Act, 2013 :	
(i)	The Title Deeds of all the immovable properties are held/registered in the name of the Company. The company is in the process of registering lands situated at Tiruvanamalai, Vizipura in Bengaluru and KIADB land at Hoskote, Bengaluru amounting to Rs. 2012.28 lacs. There is delay in getting the same done mostly on account of several cumbersome compliances and registration formalities that needs to be complied with. In the case of KIADB land at Hoskote, the company has received allotment letter and only registration formalities are pending. The period of holding for both Tiruvanamalai and Vizipura land parcels is 7 years and the period of holding for KIADB land at Hoskote is 8 years.
(ii)	The Company has not revalued its Investment Property from any registered valuer as defined under rule 2 of Companies(Registered Valuers and Valuation) Rules, 2017, during the year.
(iii)	The Company has not revalued its Property, Plant and Equipment (including Right-of- Use Assets) from any registered valuer as defined under rule 2 of Companies(Registered Valuers and Valuation) Rules, 2017, during the year.
(iv)	The Company has not revalued its intangible assets from any registered valuer as defined under rule 2 of Companies(Registered Valuers and Valuation) Rules, 2017, during the year.
(v)	Details regarding loans and advances granted to promoters, directors, KMPs and the related parties are given in Annexure 3
(vi)	The Company does not have any Capital-Work-in-progress or Intangible under development during the year and accordingly, disclosure of ageing is not made.
(vii)	The Company does not have any Intangible assets under development during the year and accordingly, disclosure of ageing is not made.
(viii)	There are no Benami Properties held by the Company and there are no proceedings that have been initiated or pending against the Comapny for holding any Benami Properties under the Benami Transactions (Prohibiton) Act, 1988 (45 of 1988) and the rules made therunder.
(ix)	The Company has borrowed loans from the banks on the basis of security of current assets and the quarterly returns or statements of current assets filed by the company are in agreement with the books of accounts.
(x)	The Company has not been declared as wilful defaulter as defined by RBI Circular by any bank or financial Institution or other lenders.
(xi)	One of the subsidiaries of the company namely UTL Telecom E-Services Pvt. Ltd. has been struck off by Registrar of Companies u/s. 560 as defunct company. The company has received advance of Rs. 176.77 lacs which is outstanding as on 31st March 2022.
(xii)	The Company has availed loan from the banks and charges related details have been furnished to the ROC in time.
(xiii)	The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(xiv)	The required ratios are disclosed seperately vide Annexure 2
(xv)	The Company has not entered into any scheme of arrangement during the year.
(xvi)	Utilisation of Borrowed funds and share premium: (i) The Company has not utilised any borrowed funds or share premium funds or any other sources or kind of funds to provide advances/loans/investments to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries and hence the disclosure requirements under this clause are not made.
	(ii) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and hence the disclosure requirements under this clause are not made.

7(a); - Trade Receivables ageing schedule

Rs in Lakhs

Ageing of Trade Receivables as on 31-03-2022						
Particulars	**Outstanding for following periods from due date of Receipts**					
	Less than 6 months	**6 months - 1 year**	**1-2 years years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade Receivables – considered good	1,923.31	123.81	1,997.58	5,209.46	8,238.05	17,492.22
(ii) Undisputed Trade Receivables –Which have significant increase in Credit Risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	5,974.22	5,974.22
(v) Disputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables –Credit Impaired	-	-	-	-	-	-
TOTAL	**1,923.31**	**123.81**	**1,997.58**	**5,209.46**	**14,212.27**	**23,466.44**

Rs in Lakhs

Ageing of Trade Receivables as on 31-03-2021						
Particulars	**Outstanding for following periods from due date of Payment**					
	Less than 6 months	**6 months - 1 year**	**1-2 years years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade Receivables – considered good	5,416.78	7,216.72	5,209.46	751.26	9,277.27	27,871.48
(ii) Undisputed Trade Receivables –Which have significant increase in Credit Risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	5,974.22	5,974.22
(v) Disputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables –Credit Impaired	-	-	-	-	-	-
TOTAL	**5,416.78**	**7,216.72**	**5,209.46**	**751.26**	**15,251.49**	**33,845.70**

16(a);- Trade Payables ageing schedule

Rs. In Lakhs

Trade Payables ageing schedule as on 31-03-2022					
Particulars	Outstanding for following periods from due date of Payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	71.28	-	-	-	71.28
(ii) Others	2,334.90	190.73	68.70	774.43	3,368.76
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
TOTAL	**2,334.90**	**190.73**	**68.70**	**774.43**	**3,440.04**

Rs. In Lakhs

Trade Payables ageing schedule as on 31-03-2021					
Particulars	Outstanding for following periods from due date of Payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	167.68	-	-		167.68
(ii) Others	10,668.61	1,252.58	-	1,293.09	13,214.29
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
TOTAL	**10,836.29**	**1,252.58**	**-**	**1,293.09**	**13,381.96**

The corporate overview

United Telecoms Limited ('the company') is a public company domiciled in India and incorporated under the provisions of Indian Companies Act. The company's registered office is at 18a/19.Doddanekundi Industrial, Area, Mahadevapura Post, Whitefield, Bangalore Karnataka 560048

The company is engaged in the business of **Manufacturing** of telecom switching, transmission equipment and terminal products; **Trading** in telecom & networking equipment, Mobile equipments, lap tops and solar products; **E-governance and Other Services** of providing Wide Area Network services, GSM Services, annual maintenance service of telecom equipment; **Real Estate i.e** Rental and Maintenance of building; **Construction** i.e Civil and electrical works contract and **Power Generation –** Solar Power

The Company caters to both domestic and international markets through network of its subsidiaries and associates in India and abroad. These are the company's separate financial statements.

1 Significant accounting policies

The following are the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

i) Compliance with Ind AS

The financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended and other relevant provisions of the Act.

These financial statements are authorised for issue by the Board of Directors on 1st December 2022.

ii) Basis of measurement

The financial statements have been prepared on going concern basis using historical cost conventions, except for the following items, which are measured on an alternative basis on each reporting date:

Items	Measurement basis
Derivative financial instruments at fair value through profit or loss	Fair value
Certain non-derivative financial instruments at fair value through profit or loss	Fair value
Equity-settled share based payment transactions	Grant date fair value
Defined benefit plan assets	Fair value

1.2 Functional and presentation currency

All amounts included in the financial statements are reported in Indian rupees in lakhs and has been rounded to nearest lakhs with two decimal places except per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

1.3 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. Actual amount may differ from these estimates.

Detailed information about each of these estimates and judgements is included in relevant notes.
The areas involving critical estimates and judgements are:

- Estimation of current tax expense and payable including amount expected to be paid/ recovered for uncertain tax position.
- Estimation of defined benefit obligation.
- Recognition of revenue.
- Recognition of deferred tax assets for carried forward tax losses.
- Impairment of trade receivables.
- Valuation of Financial Instrument.
- Useful life of property plant and equipment and Intangible assets Provision and Contingencies.

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

1.4 Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset /liability are current when it is:

- Expected to be realised/settled or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised / settled within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other assets/ liabilities are classified as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.5 Property, plant and equipment (PP&E).

- **Recognition and measurement**

  Items of PP&E are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. Capital work in progress is carried at cost and capitalised when the asset is ready to be put to use. Borrowing costs relating to acquisition /construction / development of tangible assets and Capital Work in Progress which takes substantial period to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

  When significant components of PP&E are required to be replaced at intervals, recognition is made for such replacement of components as individual assets with specific useful life and depreciation if these components are initially recognized as separate asset. All other repair and maintenance costs are recognised in profit or loss as incurred.

- **Subsequent costs**

  The cost of replacing a part of an item of PP&E is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of PP&E are recognised in the statement of profit and loss as incurred.

- **Disposal**

  Gains and losses on disposal are determined by comparing the proceeds with the carrying amount. These are recognised as income/ expenses in the statement of profit and loss.

- **Depreciation**

  Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value except for the projects viz GBBN, Jharnet, Kerala swan and Karnataka Swan which are following under Written down Value (WDV).The above Projects WDV of the assets are Nil. In case of Driving license project in the state of Maharashtra, additions to building are depreciated over the contract period with the government of Maharashtra. Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of PP&E as prescribed in Schedule II of the Companies Act, 2013, as assessed by the management of the company based on technical evaluation except for the above mentioned projects.

Depreciation is provided pro-rata for the number of months available for use. Depreciation on sale/ disposal of assets is provided pro-rata up to the end of month of sale/ disposal.

The PP&E acquired under hire purchase is depreciated over the shorter of the hire purchase term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the hire purchase term in which case assets are depreciated on the basis of estimated useful life.

1.6 Intangible assets

- **Recognition and measurement**

  Intangible assets are recognised when the asset is identifiable, is within the control of the company, it is probable that the future economic benefits that are attributable to the asset will flow to the company and cost of the asset can be reliably measured.

  Intangible assets acquired by the company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Cost comprises of the acquisition price, development cost and any other attributable/allocable incidental cost of bringing the asset to its working condition for its intended use.

- **Subsequent measurement**

  Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

- **Amortisation**

  i) Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment wherever there is an indication that the intangible assets may be impaired.

  ii) Intangible assets with infinite lives are tested for impairment at least annually, and where there is an indication that the assets may be impaired.

  iii) Application software capitalised as Intangible Asset is normally amortized their estimated useful economic life or before if it become obsolete, whichever is earlier.

- **Disposal**

  Gain or losses arising from derecognition of an intangible assets are recognized in statement of Profit and Loss when the assets is derecognized.

1.7 Impairment of non-financial assets

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where 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.

Impairment losses are recognised in the statement of profit and loss.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.8 Inventories

Raw materials are valued at cost or net realisable value and Stock of Traded goods & works in progress including WIP- unbilled services are valued at lower of cost and net realisable value. The cost of inventories comprises of cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. The stores and spares are charged off to revenue on purchase, as per consistent practice and as quantities and values on hand are not material. Cost in case of work in progress is inclusive of materials cost and appropriate production overheads.

WIP – unbilled services on time contracts are computed at cost as the proportion work perform from end of the last billing to the balance sheet date and is recognized.

WIP – on Construction are valued at lower of cost or net realisable value. The cost for this purpose is calculated under percentage of completion contract method.
Costs of Traded goods are valued at purchase cost.

1.9 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents

1.10 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

1.11 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made.
Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

- **Sale of goods and rendering of services**

Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

Revenue from property development activity which are in substance similar to delivery of goods is recognised when all significant risks and rewards of ownership in the land and/or building are transferred to the customer and a reasonable expectation of collection of the sale consideration from the customer exists.

Revenue from property development activity in the nature of a construction contract is recognised based on the 'Percentage of completion method' (POC) . Expected loss, if any, on the project is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

Rendering of services
Revenue from rendering services is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

1. the amount of revenue can be measured reliably;
2. it is probable that the economic benefits associated with the transaction will flow to the company;
3. the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
4. the costs incurred or to be incurred in respect of the transaction can be measured reliably.
5. Stage of completion is determined by the proportion of actual costs incurred to-date, to the estimated total costs of the transaction

Unbilled receivables represent costs incurred and revenues recognised on contracts, to be billed in subsequent periods as per the terms of the contract.

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

Advance payments received from customers for whom no services have been rendered are presented as 'Advance from customers.

1.12 Other income

- **Interest income**
  Interest income is recognised using effective interest rate method (EIR).

- **Dividend Income**
  Dividends are recognised in the statement of profit and loss only when the right to receive the payment is established.

- **Other**
  Revenue is recognised only when it is reasonably certain that the ultimate collection will be made.

- **Exceptional items**
  An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

1.13 Foreign currency transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting date are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

1.14 Employee benefits

- **Short-term employee benefits**
  Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service. Retention bonus is accounted on actual payment basis.

- **Post-employment benefits**

Defined contribution plans
Contributions to the provident fund, Family Pension Fund and Employee State Insurance which are defined contribution schemes, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due.

Defined benefit plans
The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on an independent actuarial valuation using the projected unit credit method, carried out as at balance sheet date. The obligation determined as afore said less the fair value of the Plan assets is reported as a liability or assets as of the reporting date. Actuarial gain or losses are recognised immediately in the Other Comprehensive Income and reflected in retained earnings and will not to be reclassified to the statement of profit and loss.

Other long-term employee benefits

The liabilities for earned leave are not expected to be settled wholly within twelve months after the end of the reporting period in which the employee render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by an independent actuarial valuation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss.

Termination benefits

Termination benefits are expensed at the earlier of when the company can no longer withdraw the offer of those benefits and when the company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

1.15 Leases

Operating Leases

Leases where the lessor effectively retains substantially all the risks and rewards of the ownership are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Finance Leases

Leases under which the Company (as a lessee) substantially assumes all the risks and rewards of ownership are classified as finance lease. Assets taken on such finance leases are capitalized at the commencement of the lease term at the fair value of the leased item or, if lower, at the present value of the minimum lease payments.

Leases under which the Company (as a lessee) substantially assumes all the risks and rewards of ownership are classified as finance lease. Assets taken on such finance leases are capitalized at the commencement of the lease term at the fair value of the leased item or, if lower, at the present value of the minimum lease payments. Such lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

1.16 Research and Development Cost

a. Revenue Expenditure on research and development is charged to the Profit and loss account of the year in which it is incurred.
b. Capital expenditure on research and development is given the same treatment as fixed Assets

1.17 Product Warranty

Provision for product warranty is made on estimated basis taking into account past experience.

1.18 Liquidated Damages

The liquidated damages are recognised and provided in cases where claims are made on the company and to the extent the management estimates it is likely to materialise. The balance is shown as contingent liability, if any.

1.19 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

1.20 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- **Current tax**

  Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

  Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period. The company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

- **Deferred tax**

  Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

  Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductable temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities.

  Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

  Deferred tax is recognised to statement of profit and loss, except to the items that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

1.21 Provisions and contingencies

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

Contingent liability is disclosed in case of

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- present obligation arising from past events, when no reliable estimate is possible
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

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

1.22 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

1.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers 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.

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.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.24 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss);
- those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or OCI.

For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

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. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Equity investments
All equity investments in the scope of 'Ind AS 109 - Financial instruments' are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to recognise subsequent changes in the fair value in OCI. 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 OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of equity instrument.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition
The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial assets
The company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by 'Ind AS 109 - Financial instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Non-derivative financial liabilities

Recognition
The company initially recognises borrowings, trade payables and related financial liabilities on the date on which they are originated.

All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

Measurement
Non-derivative financial liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition, these liabilities are measured at amortised cost using EIR method.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Financial guarantee contracts
Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with 'Ind AS 37 - Provisions, contingent liabilities and contingent assets' and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.25 Government grant
Government grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are initially recognised as deferred income at fair value and subsequently recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

2.25 Investment in subsidiaries and associates
Investment in subsidiaries is valued at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable value and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

2.26 Equity , Reserves and Dividend
Share capital represents the nominal value of shares that have been issued. Share premium includes any premium received on issue of share capital. Any transaction costs associated with issuing of shares are deducted from share premium account, net of any related income tax benefits.

Other components of equity include the following:
• Securities Premium Reserve
• General Reserve
• Capital Redemption Reserve
• Debenture Redemption Reserve
• FVTOCI Reserve
• Capital Reserve
• Retained Earnings
• Money received against Share Warrants
• Re-measurement of defined benefit liability through retained earning

Retained earnings include all current and prior period retained profits. All transactions with owners of the company in the nature of equity are recorded separately within equity.
Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

2.27 Derivative financial instruments

Initial recognition and subsequent measurement
The Company uses derivative financial instruments, (forward currency contracts and interest rate swap) to hedge its foreign currency risks and interest rate risk.
Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.
Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.
Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

2.28 Recent accounting pronouncements
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. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:
• Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
• Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
• Specified format for disclosure of shareholding of promoters.
• Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
• If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
• Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:
• Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.
The amendments are extensive and the Company will evaluate the same to give effect to them as required by law

INDEPENDENT AUDITOR'S REPORT

To the Members of United Telecoms Limited

Report on the Consolidated Indian Accounting Standard ("Ind AS") Financial Statements for the year ended 31st March, 2022

Opinion

We have audited the accompanying consolidated Ind AS financial statements of UNITED TELECOMS LIMITED ("the holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group") and its associates listed in Annexure I which comprise the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity and notes to the consolidated financial statements for the year then ended including a summary of the significant accounting policies and other explanatory information (here after referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI'), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/audit report of other auditors, 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these Consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing and detecting frauds and other irregularities; the 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated financial statements by the Directors of the Holding Company, as aforesaid. In preparing the Consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each entity 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 entity or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the entities included in the Group is responsible for overseeing the financial reporting process of each entity.

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

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

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

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

- Obtain an understanding of internal 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 entity 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 in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group (Holding company and subsidiaries) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matters" in this audit report.

We believe that the audit evidence obtained by alongwith the consideration of audit reports of other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matters

1. We did not audit the financial statement of 8 (eight) of subsidiaries whose financial statements reflect the Group share of total assets of Rs.43,014.25 Lakhs and the Group's share of total revenue of Rs.696.49 Lakhs for the year ended on that date as considered in the Financial statements. We did not audit the financial statement of any of the group's associates whose financial statement reflects the Group proportionate share of Net Profit of Rs. 2,422.34 Lakhs. These financial statements/ financial information of the subsidiary /associates stated above have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these entities and our report in terms of sub-section 3 of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.

   Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

Emphasis of matter

We draw attention to following Notes to Consolidated Ind AS financial statements:

a. Note No. 35 relating to non-payment of undisputed statutory dues aggregating to Rs.1412.97 lacs (Previous year Rs.909.59 lacs);
b. Note No. 46 relating to overdrawn position in the working capital borrowing from banks aggregating to Rs.4,869.75 lacs (Previous year Rs.6,212.17 lacs).
c. Note No. 46 regarding filing of condonation of delay application with MCA.
d. Note No. 47 (b) relating to Investments in Subsidiaries having negative net-worth;
e. Note No. 47 (c) regarding impairment test for all the subsidiaries which has got delayed due to Covid pandemic.
f. Note No. 48 regarding development of EPIP land.
g. Note No. 55 relating to Bank Facilities of the Parent company classified as Non-Performing Assets by respective banks;
h. Note No. 58 regarding seeking permission of Reserve Bank of India for writing-off of investments made outside India by the parent company.
i. Note No. 61 relating to write off in respect of 250MW thermal power plant.

j. Note No.64 and 65 regarding arbitration cases filed against BBNL and ELCOT.
k. Note No.66 regarding claim and counter claim with respect to Railtel Project.
l. Note No. 67 – regarding advances given by the parent company to its subsidiaries and associates.
m. Note No. 69 - independent confirmations are not obtained for long and short-term liabilities and loans and advances.
n. Note 71 regarding sundry debtors outstanding above Rs.5 crores
o. Note No.71 (b) regarding receivables of Rs. 328.41 crores from Motorola India Limited outstanding for more than 5 years where a recovery suit has been filed.
p. Note No. 71 (c) - Confirmation of balances from major clients have not been received.
q. Note No.72 regarding Block Income Tax Assessment for Assessment Years 2013-14 to 2019-20.
r. Note No. 73 regarding cases in arbitration.
s. Note No.74 (a) (b) (c) and (d) regarding going concern.
t. Note No. 75 regarding Bank confirmation in UTL Technologies Limited
u. Note No. 80 regarding New Era Power Corporation Limited's power generation project.

(As fully described in respective notes)
Our opinion is not qualified in respect of above matters.

Report on Other Legal and Regulatory Requirements
As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements of the Group and its associates.

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements of the Group and its associates have been kept so far as it appears from our examination of those books.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity of the Group and its associates dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion the aforesaid consolidated financial statements of the Group and its associates comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March, 2022 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 Group and the operating effectiveness of such controls, refer to our separate Report in **Annexure A** which is based on auditor's report of Holding company, subsidiaries and associate incorporated in India. Our report expresses an unqualified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the holding Company's subsidiaries' and associates incorporated in India.

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. As represented by the holding company the group does not expect any cash outgo and there will be no impact on the financial position of the group. Refer Note No. 73 and 77 to consolidated Ind AS financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts. Refer Note No. 78 to consolidated Ind AS financial statement.

iii. There has been no delay in transferring amounts required to be transferred to Investor Education and Protection Fund by Holding Company and its subsidiaries, associates incorporated in India Refer Note No.79 to Consolidated Ind AS financial statement.

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

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

c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under paras a) and b) above, contain any material misstatement.

v. The Company has neither declared nor paid any dividend during the year.

C. The company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.

For P. B. SHETTY & CO
Chartered Accountants
Firm registration number – 110102W

S/D

Brijesh Shetty
Partner
Membership No. 131490
UDIN :23131490BEQCFN2254

Place: Mumbai
Date: 1st December, 2022

ANNEXURE A

[Referred to in paragraph pertaining to "Report on Other Legal and Regulatory Requirement" of our Report of even date to the members of United Telecoms Limited on the Consolidated financial statements for the year ended 31st March, 2022]

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

We have audited the internal financial controls over financial reporting of **UNITED TELECOMS LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute the "Group") and its associates, as of March 31, 2022 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Director's of Holding Company's and its subsidiary Companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (**IFCOFR**) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Holding 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 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 judgments, 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 Group'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.

Emphasis of Matter

Based on our discussion on internal control over financial reporting in place at United Telecoms Limited, we have following observations:

a) The decision-making process at the company is centralized with the Managing Director and Chairman.

b) There is hardly any delegation of powers to senior executives within the company leaving little scope for collective decision making on important issues. However major policy decisions are being discussed at the Board level.

In view of the above, we are of the opinion that the existing internal control should be strengthened so as to bring collective decision-making system and transparency in financial dealings.

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the Holding Company ,its subsidiaries and its associates incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by these entities 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 P. B. SHETTY & CO
Chartered Accountants
Firm registration number – 110102W

S/D

Brijesh Shetty
Partner
Membership No. 131490
UDIN :23131490BEQCFN2254

Place: Mumbai
Date: 1st December, 2022

Annexure I: List of entities consolidated as at 31 March 2022

Details of entities in Consolidation

The following subsidiaries and associate companies have been directly considered in the preparation of the Consolidated Financial Statements of the Company :

r. No.	Name of the Enterprise	Holding Interest	Proportion of ownership Interest
1	United Telecom E-services Pvt Ltd#	Subsidiary	96.55%
2	UTL Technologies Ltd	Subsidiary	98.86%
3	United Surya Energy Ltd	Subsidiary	97.45%
4	NSP Electronics Ltd	Subsidiary	75.84%
5	United Wireless Technology Ltd	Subsidiary	93.13%
6	New Era Power Corporation Ltd	Subsidiary	55.08%
7	United Sustainable Energy India Pvt Ltd	Subsidiary	73.75%
8	Teleworld United Pvt Ltd#	Subsidiary	99.64%
9	Gujarat Online Ltd*	Associate	14.29%
10	Priyaraj Electronics Ltd	Associate	30.55%
11	Andhra Networks Ltd	Associate	48.70%
12	ITASCA Software Development Pvt Ltd*	Associate	9.58%
13	United Power & Steel Alloys Ltd	Associate	36.37%
14	Trigyn Technologies Ltd	Associate	44.51%
15	United ERP Solution Ltd.	Associate	37.50%

*The Enterprises with less than 20% ownership interest is considered as associate on basis of Composition of Board.

The company has eight subsidiaries and seven associates as at 31st March 2022.

We has not received any information nor have we been provided provisional accounts by the management/Board of United Telecom E-services Pvt Ltd and Teleworld United Pvt Ltd. We have consolidated these companies using the last available audited figures.

a).The audited financials of the following subsidiaries/associates for the year ended 31st March, 2022 were available for consolidation and have been consolidated fully in the financials:

A. UTL Technologies Ltd
B. NSP Electronics Ltd
C. Gujarat Online Ltd
D. United Wireless Technology Ltd
E. United ERP Solution Limited
F. United Power & Steel Alloys Ltd
G. New Era Power Corporation Ltd
H. ITASCA Software Development Pvt Ltd
I. TRIGYN TECHNOLOGIES LTD

b). In the case of following subsidiaries/associates audited financials were not available for the year ended 31st March, 2022. The management has considered only assets and liabilities from the latest available financials and in the absence of Management Certified Accounts/profit and loss account due to closure of business/unavailability of data, income and expenses have not been considered for the purpose of consolidation.

A. Andhra Networks Ltd
B. United Telecom E-services Pvt Ltd
C. Teleworld United Pvt Ltd
D. United Sustainable Energy India Pvt Ltd
E. Priyaraj Electronics Ltd
F. United Surya Energy Ltd

UNITED TELECOMS LIMITED
No.18A/19, Doddanekundi Industrial Area, Bangalore 560 048.
CIN : U32301KA1986PLC007800
Consolidated Balance Sheet as at 31st March 2022

Particulars	Note No.	Amount in lacs (Rs.) As at March 31, 2022	March 31, 2021
ASSETS:			
Non-Current Assets:			
Property, Plant and Equipment	3a +3c	37,009.28	38,414.95
Capital work-in-progress	3b	48.78	5,787.73
Goodwill		13,206.17	15,498.40
Other intangible assets	3c	-	-
Investment in Property		6,510.75	-
Financial Assets:			
Investments	4	64,480.35	61,137.26
Other non current financial assets	5	92.77	94.11
Deferred tax assets [Net]		11,801.23	11,761.86
Other Non-Current Assets	6	12,122.09	11,383.56
		1,45,271.43	**1,44,077.88**
Current Assets:			
Inventories	7	7,739.81	9,779.79
Financial Assets:			
i) Trade Receivables	8	23,781.59	34,069.23
ii) Cash and Cash equivalents	9	483.64	300.19
iii) Bank Balances other than (ii) above	10	1,042.59	2,030.83
iv) Other current financial assets	11	141.20	78.51
Current tax assets [Net]	12	852.85	760.49
Other Current Assets	13	6,378.21	5,696.33
Non-Current Asset held for sale		-	-
		40,419.90	**52,715.37**
Total Assets		**1,85,691.33**	**1,96,793.25**
EQUITY AND LIABILITIES:			
Equity:			
Equity Share Capital	14	1,115.57	1,115.57
Other Equity	15	1,43,580.41	1,42,125.22
Equity attributable to owners of United Telecoms Limited		1,44,695.98	1,43,240.79
Non-controlling interests		4,933.69	4,948.05
Total Equity	**A**	1,49,629.66	1,48,188.84
Liabilities:			
Non-Current Liabilities:			
Financial Liabilities:			
Borrowings	16	19,750.69	19,340.34
Provisions	17	272.76	405.82
Other Non-Current liabilities	18	2,560.56	1,913.70
		22,584.01	21,659.86
Current Liabilities:			
Financial Liabilities:			
Borrowings	19	5,223.34	6,830.43
Trade Payables			
(a) Total Outstanding due of Micro and Small Enterprises	20	71.28	167.68
(b) Total Outstanding dues other than (a) above	20	4,549.27	14,370.86
Other current financial liabilities	21	122.20	1,210.72
Other Current Liabilities	22	3,453.06	4,095.24
Provisions	23	58.50	269.62
		13,477.65	26,944.56
Total Liabilities	**B**	36,061.66	48,604.41
Total Equity and Liabilities	**A+B**	**1,85,691.33**	**1,96,793.25**
Significant Accounting Policies	1		
Notes to Accounts	2 to 81		

Significant Accounting Policies and Notes attached thereto form an integral part of the Financial Statements

As per our attached report of even date

For **P. B. SHETTY & CO.**
Chartered Accountants
ICAI FR No.110102W

S/D

Brijesh Shetty
Partner
Membership No. 131490
Place : Mumbai
Date : 1st December, 2022
UDIN No: 22131490BEQCFN2254

For and on behalf of Board of Directors

S/D
Mr. Venkateswarlu Mungala
Director
DIN : 02511158

S/D
Dr.P Padmavathi
Managing Director
DIN : 00155153

S/D
Payal Kumari
Company Secretary
Membership No. A68084

S/D
R M Nagesh
Chief Financial Officer
PAN : ADXPR3731P

Bengaluru, Dated : 1st December 2022

UNITED TELECOMS LIMITED
Consolidated Statement of Profit and Loss as at 31st March 2022

Particulars	Note No.	March 31, 2022	March 31, 2021
		Amount in lacs (Rs.) [except per share data] Year ended	
REVENUE:			
Revenue from Operations	24	9,504.44	17,999.18
Other Income	25	1,434.83	2,147.68
Total Revenue	**A**	10,939.27	20,146.85
EXPENSES:			
Cost of Materials Consumed	26a	562.42	7,343.09
Purchases of Stock in trade and Raw Materials	26b	-	-
Changes in Inventories of Finished goods and Stock in trade	27	2,397.69	2,982.01
Employee Benefits Expense	28	1,571.64	1,565.47
Finance Costs	29	2,197.57	2,554.49
Provision for Impairment of Asset		-	-
Depreciation and Amortisation expense	3	759.23	1,271.90
Other Expenses	30	2,832.05	4,609.34
Total Expenses	**B**	10,320.59	20,326.29
Profit before exceptional items and tax	**A-B**	**618.68**	**(179.44)**
Less: Extraordinary items Gain/(Loss)	31	-	204.42
Profit before Tax Expense and share in Profit / (Loss) of Associate		**618.68**	**24.98**
Share in Profit / (loss) of Associate		2,422.34	2,238.59
Profit before Tax		**3,041.02**	**2,263.57**
Less: Tax Expense:			
Current Tax		132.05	64.50
Prior period tax		-	3.76
Deferred Tax		19.93	7.22
Mat Credit		-	-
Profit for the year		**2,889.04**	**2,188.09**
Share of Parent		**2,912.98**	**2,235.76**
Share of Non-controlling Interest		**(23.94)**	**(47.67)**
OTHER COMPREHENSIVE INCOME:			
Items not to be reclassified to profit or loss in subsequent periods			
Remeasurements of the defined benefit plans	32	0.03	7.44
Fair Valuation of equity instrument	32	9.83	9.62
Income tax relating to items that will not be reclassified to profit or loss	32	(0.08)	-
Other Comprehensive Income for the year, net of tax		**9.78**	**17.05**
Total Comprehensive Income for the year net of Tax		**2,898.83**	**2,205.14**
Share of Parent		**9.73**	**16.59**
Share of Non-controlling Interest		**0.05**	**0.46**
Basic & Diluted Earning per Equity Share [EPS]	33		
Profit after tax and before extraordinary items	33	25.90	19.61
Profit after tax and extraordinary items	33	25.90	17.78

Significant Accounting Policies 1
Notes to Accounts 2 to 81
Significant Accounting Policies and Notes attached thereto form an integral part of the Financial Statements

As per our attached report of even date

For **P. B. SHETTY & CO.**
Chartered Accountants
ICAI FR No.110102W

S/D

Brijesh Shetty
Partner
Membership No. 131490
UDIN No: 22131490BEQCFN2254

Place : Mumbai
Date : 1st December, 2022

For and on behalf of Board of Directors

S/D
Mr. Venkateswarlu Mungala
Director
DIN : 02511158

S/D
Dr.P Padmavathi
Managing Director
DIN : 00155153

S/D
Payal Kumari
Company Secretary
Membership No. A68084

S/D
R M Nagesh
Chief Financial Officer
PAN : ADXPR3731P

Bengaluru, Dated : 1st December, 2022

	UNITED TELECOMS LIMITED Consolidated Cash Flow Statement as at 31st March 2022		
	Particulars	**Amount in lacs (Rs.)**	
		Year Ended	
		March 31, 2022	**March 31, 2021**
A.	**Cash flow from Operating Activities:**		
	Profit before taxation and after extraordinary Items	**618.68**	**24.98**
	Add: Items of Other Comprehensive Income	9.78	17.05
	Add: Share of Associate Profit	2,422.34	2,238.59
	Net Profit Before Tax After adjustment in OCI	3,050.80	2,280.62
	Adjustments for :		
	Inter Unit Opening Balance Impact	1,462.37	3,619.02
	Advances Written off	-	-
	Depreciation /Amortisation	759.23	1,271.90
	Excess Provision for Expenses no longer required reversed	(575.33)	
	Reversal of Excess Provision	(267.99)	(816.98)
	Other Outflows	(65.61)	
	Non Interest bearing Security Deposit no longer payable written ba	-	(937.88)
	Suppliers Credit balance no longer Required Written Back	-	(4,742.35)
	250 MW Power Plant Cost Written Off	-	7,724.49
	Impairment provision made in earlier years in respect of 250 MW power plant written back.	-	(3,400.00)
	Insurance and Project expenses related to 250 MW power plant written off	-	213.44
	Exchange Rate Fluctuation - Unearned	-	(25.62)
	Bad Debts Written off	466.89	72.84
	Interest Income	(59.55)	(140.00)
	Dividend Received	(0.27)	-
	Sundry Balances Written Back	(416.37)	-
	Rent received	(921.30)	(696.77)
	Interest expenditure	2,197.57	2,554.49
		2,579.64	**4,696.57**
	Operating Profit before Working Capital Changes	**5,630.44**	**6,977.19**
	(Increase)/Decrease in Inventory	2,039.98	4,433.59
	(Increase)/Decrease in Trade Receivables	9,820.75	(9,664.78)
	(Increase)/Decrease in other current financial assets	(62.69)	(63.99)
	(Increase)/Decrease in other current tax Assets and Deferred tax A	(131.73)	1,063.63
	(Increase)/Decrease in other current and non-current assets	(1,420.41)	1,656.38
	Increase/(Decrease) in Trade Payables	(9,917.99)	2,307.65
	Increase/(Decrease) in other current financial liabilities	(1,088.52)	(334.56)
	Increase/(Decrease) in other current and non-current Liabilities	4.67	(549.84)
	Increase/(Decrease) in Provisions	(344.18)	(315.79)
		(1,100.11)	(1,467.71)
	Cash generated from operations	**4,530.33**	**5,509.48**
	Income Taxes Paid (net of refunds)	(151.98)	(75.48)
	Net Cash from Operating Activities -A	**4,378.35**	**5,434.00**

	UNITED TELECOMS LIMITED Consolidated Cash Flow Statement as at 31st March 2022		
	Particulars	**Amount in lacs (Rs.)**	
		Year Ended	
		March 31, 2022	**March 31, 2021**
B.	**Cash Flow from Investing Acitivities:**		
	Transfer to land From Advance	-	(1,200.00)
	Purchases of Fixed Assets	(118.95)	(168.46)
	Research and Development expenditure capitalised	(26.20)	(516.06)
	Transfer of Railtel Assets from PPE to Other Non Current Assets	716.96	
	Adjustment to Fixed Assets		117.46
	Deposits Matured/ Additional Deposited	989.57	61.17
	Investments	(910.92)	(953.72)
	Increase Due to Share of Profit	(2,422.34)	(2,238.59)
	Increase Due to OCI Gain	(9.83)	(9.62)
	Interest Received	59.55	140.00
	Dividend Received	0.27	-
	Rent received	921.30	696.77
	Net Cash from in Investing Activities-B.	**(800.58)**	**(4,071.05)**
C.	**Cash Flow from Financing Activities :**		
	Increase in share capital	-	-
	Interest paid	(2,197.57)	(2,554.49)
	Secured loans received/Paid	(1,196.74)	1,112.34
	Net Cash Used in Financing Activities-C	**(3,394.31)**	**(1,442.15)**
	Net Increase in Cash and Cash equivalents (A+B+C)	**183.45**	**(79.20)**
	Cash and Cash Equivalents as at Beginning of the year	300.19	379.39
	Cash and Cash Equivalents as at End of the year	**483.64**	**300.19**
1	Cash and Cash equivalents includes		
	Cash and Bank Balances -		
	Cash on hand	2.62	3.07
	Cash in Transit	-	-
	Balance with Scheduled Banks :		
	On Current Accounts	481.02	297.12
	On Deposit Accounts	-	-
	Total Cash and Cash Equivalent	**483.64**	**300.19**
2	The above cash flow statement has been prepared under the indirect method setout in Ind Accounting Standard 7 " Cash Flow Statement" issued by the Institute of Chartered Accountants of India.		
3	Figures in brackets indicate cash outgo.		
4	Previous years' figures have been regrouped / rearranged wherever necessary.		

This is the notes forming part of financial statements referred to in our Report of even date.

For P. B. SHETTY & CO.
Chartered Accountants
ICAI FR No.110102W

S/D
Brijesh Shetty
Partner
Membership No. 131490
UDIN No: 22131490BEQCFN2254

Place : Mumbai
Date : 1st December, 2022

For and on behalf of Board of Directors

S/D
Mr. Venkateswarlu Mungala
Director
DIN : 02511158

S/D
Dr.P Padmavathi
Managing Director
DIN : 00155153

S/D
Payal Kumari
Company Secretary
Membership No. A68084

S/D
R M Nagesh
Chief Financial Officer
PAN : ADXPR3731P

Bengaluru, Dated : 1st December, 2022

UNITED TELECOMS LIMITED
Consolidated Statement of Changes in Equity for the year ended 31 March 2022
(All amounts in Indian Rupees in Lakhs except for share data and otherwise stated)

A) Equity Share Capital
(1) Current Reporting Period - FY 2021-2022

Balance at the beginning of the current reporting period 01-Apr-2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period 01-Apr-2021	Changes in equity share capital during the current year	Balance at the end of the current reporting period 31-March-2022
1,115.57	-	1,115.57	-	1,115.57

Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up - No of shares - 1,11,55,718

2) Previous Reporting Period - FY 2020-2021

Balance at the beginning of the previous reporting period 01-Apr-2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the previous reporting period 01-Apr-2020	Changes in equity share capital during the previous year	Balance at the end of the previous reporting period 31-March-
1,115.57	-	1,115.57	-	1,115.57

Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up - No of shares - 1,11,55,718

B) Other Equity
(1) Current Reporting Period - FY 2021-2022

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Total
			Capital Reserve	Securities Premium	General Reserve	Retained Earnings			
Balance at the beginning of the current reporting period 01-Apr-2021	-	-	**112.78**	**12,885.84**	**25.00**	**1,29,030.74**	-	**70.86**	**1,42,125.22**
Ind-AS impact on opening balance						(1,462.37)		**(5.16)**	**(1,467.53)**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-

Restated balance at the beginning of the current reporting period 01-Apr-2021	**-**	**-**	**112.78**	**12,885.84**	**25.00**	**1,27,568.37**	**-**	**65.70**	**1,40,657.69**
Total Comprehensive Income / (Loss) for the current year	-	-	-	-	-	490.64	-	9.73	500.37
Dividends on Pref. Shares	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-
Profit/Loss on Associates Share	-	-	-	-	-	2,422.34	-		2,422.34
Balance at the end of the current reporting period 31-March-2022	**-**	**-**	**112.78**	**12,885.84**	**25.00**	**1,30,481.35**	**-**	**75.43**	**1,43,580.41**

2) Previous Reporting Period - FY 2020-2021

Particulars	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus						Total
			Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	
Balance at the beginning of the previous reporting period 01-Apr-2020	**-**	**-**	**112.78**	**12,885.84**	**25.00**	**1,23,908.66**	**-**	**82.13**	**1,37,014.41**
Ind-AS impact on opening balance						2,886.33		(27.86)	2,858.47
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the previous reporting period 01-Apr-2020	**-**	**-**	**112.78**	**12,885.84**	**25.00**	**1,26,794.99**	**-**	**54.27**	**1,39,872.88**
Total Comprehensive Income / (Loss) for the previous year	-	-	-	-	-	(2.83)	-	16.59	13.76
Dividends	-	-	-	-	-	-	-	-	-
Profit/Loss on Associates Share	-	-	-	-	-	2,238.59	-	-	2,238.59
Balance at the end of the previous reporting period 31-March-2021	**-**	**-**	**112.78**	**12,885.84**	**25.00**	**1,29,030.74**	**-**	**70.86**	**1,42,125.22**

The accompanying notes are an integral part of these financial statements

As per our report of even date

For P. B. SHETTY & CO.
Chartered Accountants
ICAI FR No.110102W

S/D

Brijesh Shetty
Partner
Membership No. 131490

Place : Mumbai
Date : 1st December, 2022
UDIN No: 22131490BEQCFN2254

For and on behalf of Board of Directors

S/D
Mr. Venkateswarlu Mungala
Director
DIN : 02511158

S/D
Dr.P Padmavathi
Managing Director
DIN : 00155153

S/D
Payal Kumari
Company Secretary
Membership No. A68084

S/D
R M Nagesh
Chief Financial Officer
PAN : ADXPR3731P

Bengaluru, Dated : 1st December 2022

UNITED TELECOMS LIMITED

Notes to the Consolidated Financial Statements

Note: 3-Property,Plant and Equipment

Amount in lacs (Rs.)

a) Property, Plant and Equipment	Freehold Land	Building	Electrical Fittings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Vehicles	Computers	Total	Right of Use Assets	b) CWIP CWIP	c) Intangible Assets Computer Software
Gross carrying value:												
As at March 31, 2020	**24,168.00**	**8,403.85**	**109.02**	**9,330.23**	**229.43**	**92.31**	**244.42**	**490.10**	**43,067.36**	-	5,742.40	72.93
Additions	1,200.00	-	-	137.40	1.95	2.30	4.92	21.89	**1,368.46**	-	-	516.06
Disposals				-	-	-		-	-	-		
Adjustments	1,142.58	2,007.74	10,076.85	(1,081.55)	141.58	245.62	147.42	485.12	**13,165.36**	-	45.33	(18.34)
As at March 31, 2021	**26,510.58**	**10,411.59**	**10,185.87**	**8,386.08**	**372.96**	**340.23**	**396.76**	**997.11**	**57,601.18**	**-**	**5,787.73**	**570.65**
Additions	-	-	-	115.50	-	0.36	-	3.09	118.95	51.89	-	26.20
Adjustments	-	-	-	(105.81)	-	-	-	(1.01)	(106.82)	-	-	
Transfer of Railtel Assets to Non Current Assets				(1,103.83)	(0.25)			(0.39)	(1,104.47)	-		
Transfer to Investment in Property (Refer Note No.)										-	(5,738.95)	
Disposals	-	-	-	-	-	-	-	-	-	-	-	
As at March 31, 2022	**26,510.58**	**10,411.59**	**10,185.87**	**7,291.94**	**372.71**	**340.59**	**396.76**	**998.80**	**56,508.84**	**51.89**	**48.78**	**596.85**
Depreciation and Impairment:												
As at March 31, 2020	**-**	**952.42**	**78.01**	**3,287.47**	**144.91**	**65.41**	**180.48**	**403.69**	**5,112.39**	-	-	62.77
Depreciation for the year		313.49	0.52	881.02	16.93	9.19	21.25	25.34	**1,267.74**	-		4.16
Impairment for the year									-	-		
Disposals		-	-	-	-	-	-	-	-	-		
Adjustments	-	1,795.70	8,814.70	1,723.52	141.79	251.40	147.71	450.89	**13,325.71**	-		(15.89)
As at March 31, 2021	**-**	**3,061.61**	**8,893.23**	**5,892.01**	**303.63**	**326.00**	**349.44**	**879.92**	**19,705.84**	**-**	**-**	**51.04**
Depreciation for the year	-	191.03	-	480.96	12.31	5.89	15.42	33.52	**739.13**	18.73		1.37
Transfer of Railtel Assets to Non Current Assets	-			(386.92)	(0.21)			(0.38)	**(387.51)**	-		-
Adjustments	-	22.86	-	(10.89)	-	-	-	11.12	**23.09**	-		(3.39)
Impairment for the year	-								-	-		
Disposals									-	-		
As at March 31, 2022	**-**	**3,275.50**	**8,893.23**	**5,975.16**	**315.73**	**331.89**	**364.86**	**924.18**	**20,080.55**	**18.73**	**-**	**49.02**
As at March 31, 2020	24,168.00	7,451.43	31.01	6,042.76	84.52	26.90	63.94	86.41	37,954.97	-	5,742.40	10.16
As at March 31, 2021	26,510.58	7,349.98	1,292.64	2,494.07	69.33	14.23	47.32	117.19	37,895.34	-	5,787.73	519.61
As at March 31, 2022	26,510.58	7,136.09	1,292.64	1,316.78	56.98	8.70	31.90	74.62	36,428.29	33.16	48.78	547.83

Note 1 The company has adopted fair value of assets as its deemed cost as at 1st April,2015 ie. transition to Ind AS.

Note 2 : The title deeds of immovable properties is in the name of the respective group companies. In case of Holding company, freehold land at Tiruvnamalai, Vizipura and KIADB land at Hoskote, the holding company has started the process of registering the lands in the name of the company. The total value of these land parcels is around Rs. 2012.28 lacs

UNITED TELECOMS LIMITED

Notes to the Consolidated Financial Statements

	Amount in lacs (Rs.)	
	As at	
	March 31, 2022	**March 31, 2022**
Note: 4-Non Current Investments:		
I] <u>INVESTMENT IN EQUITY SHARES</u>		
i) Investment in Associates		
<u>Quoted - Non-Trade</u>		
- Trigyn Technologies Limited	25,500.92	23,300.11
1,37,01,877 (March 31, 2021: 1,37,01,877)		
equity shares of Rs. 10/- each fully paid-up		
<u>Unquoted - Non-Trade</u>		
- United Power and Steel Alloys Ltd	275.50	275.63
2,545,000 (March 31, 2021: 2,545,000)		
equity shares of Rs. 10/- each fully paid-up		
- Betul Wind Farms Ltd	5,771.00	5,771.00
2,755,623(March 31, 2021: 2,755,623)		
equity shares of Rs. 10/- each fully paid-up		
- ITASCA Software Development P Ltd	1,864.89	1,865.06
1,059,006 (March 31, 2021: 1,059,006)		
equity shares of Rs. 10/- each fully paid-up		
- United ERP Solutions Ltd	6.53	6.72
75,000 (March 31, 2021: 75,000)		
equity shares of Rs. 10/- each fully paid-up		
- Promuk Hoffman International Ltd	1,167.32	1,167.32
13,23,413 (March 31, 2021: 13,23,413)		
equity shares of Rs. 10/- each fully paid-up		
<u>Unquoted - Trade In</u>		
- Priyaraj Electronics Limited	11,126.27	11,090.94
142,342 (March 31, 2021: 142,342)		
equity shares of Rs. 100/- each fully paid-up		
- Andhra Networks Limited	12,283.12	12,096.50
489,930 (March 31, 2021: 489,930)		
equity shares of Rs. 10/- each fully paid-up		
- Gujarat Online Limited	141.09	141.02
142,857 (March 31, 2021: 142,857)		
equity shares of Rs. 10/- each fully paid-up		
Less : Provision for Diminution in value of Investment	(7.50)	(921.18)
	58,129.14	54,793.12

UNITED TELECOMS LIMITED

Notes to the Consolidated Financial Statements

	Amount in lacs (Rs.)	
	As at	
	March 31, 2022	**March 31, 2022**
ii) Investment in Others		
<u>Quoted - Non-Trade</u>		
Industrial Development Bank Of India	1.17	1.09
1,440 (March 31, 2021: 1,440)		
equity shares of Rs. 10/- each fully paid-up		
State Bank of India	19.00	14.03
3,850 (March 31, 2021: 3,850)		
equity shares of Rs. 10/- each fully paid-up		
<u>Unquoted - Non-Trade</u>		
VITIB SA	75.09	75.09
8,587 (March 31, 2019: 8,587)		
Electricals Sector Skills Council of India	-	2.50
25,000 (March 31, 2021: 25,000)		
equity shares of Rs. 10/- each fully paid-up		
Less : Provision for Diminution in value of Investment	-	-
	95.27	92.71

UNITED TELECOMS LIMITED

Notes to the Consolidated Financial Statements

	Amount in lacs (Rs.)	
	As at	
	March 31, 2022	March 31, 2022
II] INVESTMENT IN OTHERS		
i) Mutual Fund		
Canara Robeco Force Retail Growth Fund	31.42	27.01
48,899.756 (March 31, 2021: 48,899.756) units		
Nippon India Mutual Fund	4.41	4.30
440.805 units		
ii) Unquoted Bonds / Debentures		
Kukru Wind Power Pvt Ltd	4,750.00	4,750.00
Primeval Renewal Projects Pvt Ltd	1,470.00	1,470.00
iiI) Others		
United Sustainable Energy India P Ltd - CCPS	-	-
National Savings Certificates	0.11	0.11
	6,255.94	6,251.42
Total	**64,480.35**	**61,137.26**
a Aggregate amount of quoted investments	**25,556.92**	**23,346.54**
b Aggregate amount of unquoted investments	**38,923.43**	**37,790.71**

Note: 5-Other Non-Current Financial Assets:

Fixed Deposit (Maturity over 1 year)	92.77	94.11
Total	**92.77**	**94.11**

Note: 6-Other Non-Current Assets:

Advances		
- Towards Land	393.82	351.67
- Towards project	10,689.83	10,703.23
- Promuk Hoffman International Ltd, Associate	0.62	0.62
- Primeval Renewable Projects Pvt Ltd. Related Party	53.00	53.00
- Others	148.71	151.09
Advance recoverable from NBFC	4.72	4.72
Security Deposits	114.43	119.05
Prepaid Expense	-	0.18
Fixed Assets of Railtel held for settlement	716.96	-
Others	-	0.00
Total	**12,122.09**	**11,383.56**

UNITED TELECOMS LIMITED

Notes to the Consolidated Financial Statements

	Amount in lacs (Rs.)	
	As at	
	March 31, 2022	March 31, 2021
Note: 7-Inventories:		
Classification of Inventories:		
Raw Materials	1,487.11	1,389.41
WIP - Manufacturing	-	60.77
WIP - Construction	-	-
Unbilled Services	701.88	2,728.82
Stock In Warehouse	163.93	161.44
Estimated Salvage value of 250MW thermal power plant	5,100.00	5,100.00
Traded Goods	262.68	314.23
Stores and Spares	24.21	25.12
Total	**7,739.81**	**9,779.79**
Note: 8-Trade Receivables:		
Unsecured		
- Considered doubtful	87.44	7.53
- Considered good	23,781.59	34,069.23
	23,869.02	34,076.76
Less : Allowance for bad and doubtful debts	(87.44)	(7.53)
Total	**23,781.59**	**34,069.23**
Note: 9-Cash and Cash Equivalents:		
Balances with Banks [*]	481.02	297.12
Cash on Hand	2.62	3.07
Total	**483.64**	**300.19**
* There are no earmarked balances with banks.		
Note: 10-Bank Balances other than 11(a) above:		
Fixed deposit (Maturity > 3 months but < 12 months)	1,042.59	2,030.83
Total	**1,042.59**	**2,030.83**
Note: 11 -Other Current Financial Assets:		
Interest accrued on FD	1.63	1.05
Interest accrued but not due on FD	22.60	18.51
Interest receivable on Compulsary Convertible Debentures	58.95	58.95
Rent receivable	58.02	-
Total	**141.20**	**78.51**

UNITED TELECOMS LIMITED
Notes to the Consolidated Financial Statements

	Amount in lacs (Rs.)	
	As at	
	March 31, 2022	March 31, 2021
Note: 12 -Current Tax Assets (Net) :		
Advance tax and TDS	853.95	761.59
Provision for Tax	(1.10)	(1.10)
Total	**852.85**	**760.49**

	March 31, 2022	March 31, 2021
Note: 13-Other Current Assets:		
Advances to Suppliers	148.75	295.31
- Related Parties		
- Other related parties	967.52	-
-NSP Electronics	-	-
Teleworld United Pvt Ltd	0.16	-
- Promuk Hoffman	285.91	257.97
- Trigyn Technologies Limited	4.03	-
- Others	326.19	134.04
Security Deposit	230.91	261.96
Other Advances		
- Related parties - Associates		
- Itasca Software Developments Pvt Ltd	15.67	14.17
- Andhra Networks Ltd	296.56	265.29
- United Telelinks (Bangalore) Ltd	3.75	4.21
- United ERP Solutions Ltd	7.75	7.75
- United Power and Steels Alloys Limited	9.02	8.80
- Gujarat Online Ltd	3.04	2.39
- Others	-	143.12
Balance with Revenue authorities	298.05	316.35
Employee Advance	3.80	6.76
Advance for Expenses	-	169.34
Estimated value of Scrap fixed Assets	2.62	2.62
Prepaid Expenses	107.15	15.22
Inter Company balances pending reconciliation	3,871.59	3,791.02
Total	**6,582.46**	**5,696.33**

UNITED TELECOMS LIMITED
Notes to the Consolidated Financial Statements

	Amount in lacs (Rs.) As at March 31, 2022	Amount in lacs (Rs.) As at March 31, 2021

Note: 14-Share Capital:

	March 31, 2022	March 31, 2021
Authorised:		
Equity Share Capital		
Equity Shares of INR 10/-	1,150.00	1,150.00
	1,150.00	**1,150.00**
Issued, Subscribed and Paid-up:		
Equity Shares of INR 10/- (No. of shares - 1,11,55,718)	(1,115.57)	(1,115.57)
Total	**(1,115.57)**	**(1,115.57)**
A The reconciliation in number of shares is as under:		
Number of shares at the beginning of the year	1,11,55,718	1,11,55,718
Shares Issued during the year	-	-
Number of shares at the end of the year	**1,11,55,718**	**1,11,55,718**

B Rights, Preferences and Restriction of Share holders: The company has only one class of Equity shares having par value of Rs.10/- each. The equity shares have rights, preferences and restrictions which are in accordance with the provision of law, in particular the Companies Act 2013. The dividend proposed by the Board of Directors is subject to shareholders approval in the ensuing Annual General Meeting.

C Details of Shareholder holding more than 5% of aggregate Equity Shares of INR 10/- each

	31-Mar-22		**31-Mar-21**	
Name of share holder	Number of Shares	% to total share holding	Number of Shares	% to total share holding
Estate of Late C.Basavapurnaiah*	34,55,460	30.97%	34,55,460	30.97%
Mr. C.Venkateswara Rao	9,96,456	8.93%	9,96,456	8.93%
Ms. P.Bhavana	11,99,524	10.75%	11,99,524	10.75%
Mr. P.Bharath	11,94,104	10.70%	11,94,104	10.70%
Mrs. Sandhya Rao	9,50,000	8.52%	9,50,000	8.52%
Mrs. C.Padmavathi	9,03,177	8.10%	9,03,177	8.10%
M/s. Andhra Networks Ltd	15,72,692	14.10%	15,72,692	14.10%

(i) * Estate of Late C.Basavapurnaiah erstwhile chairman of the company - The probate order of his will is challenged in the Honourable High Court of Karnataka and the Honourable High Court has stayed execution of the probate by the stay order dated 9th September 2019. The distribution of his shares to family members has not been given effect to in view of the stay order. Therefore, the total number of shares held by Late C.Basavapurnaiah has been shown against his estate.

D Shares held by Holding company : N.A.

E Shares held by Promoter at the end of the year :

Promoter Name	Number of Shares	% to total share holding	% change during the year
Estate of Late C.Basavapurnaiah*	34,55,460	30.97%	-
Dr. P. Raja Mohan Rao	3,26,873	2.93%	
Dr. P. Padmavathi	5,12,323	4.59%	
Mr. C.Venkateswara Rao	9,96,456	8.93%	-
Mrs. P.Bhavana	11,99,524	10.75%	-
Mr. P.Bharath	11,94,104	10.70%	-
Mrs. Sandhya Rao	9,50,000	8.52%	-
Mrs. C.Padmavathi	9,03,177	8.10%	-

F Particulars of shares issued for consideration other than cash, shares bought back and bonus shares in last five years:

i. Shares bought back -- NIL
ii. Issue of bonus shares – NIL.
iii. Shares issued on account of merger/Amalgamation -- NIL

G There are no shares reserved for issue under options, contract/ commitments for sale of shares/ disinvestments.

H There are no shares forfeited during the year.

I Particulars of calls in arrears by directors and officers of the company - NIL

J Security convertible into equity shares - NIL

UNITED TELECOMS LIMITED
Notes to the Consolidated Financial Statements

Note 15: -Other Equity:

	Amount in lacs (Rs.) As at March 31, 2022	March 31, 2021
Securities premium reserve		
Opening Balance	12,885.84	12,885.84
Add: Addition during the year	-	-
Closing Balance	**12,885.84**	**12,885.84**
General Reserve		
Balance as per last Balance Sheet	**25.00**	**25.00**
Other Comprehensive Income [FVTOCI] Reserve:		
Balance as per last Balance Sheet	70.86	82.13
Opening Balance Impact	(5.16)	(27.86)
[Less]/ Add: [Debited]/ Credited during the year	9.73	16.59
	75.43	**70.86**
Capital Reserve		
Balance as per last Balance Sheet	**112.78**	**112.78**
Retained Earnings:		
Opening Balance	1,29,030.74	1,23,908.66
Less: Opening Balance Impact	1,462.37	2,886.33
Add: Profit for the year	490.64	(2.83)
Add: Profit / loss on Associates share	2,422.34	2,238.59
Closing Balance	**1,30,481.35**	**1,29,030.74**
Total	**1,43,580.41**	**1,42,125.22**

Securities Premium Reserve
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

Note: 16-Borrowings

	March 31, 2022	March 31, 2021
Secured		
Term Loan from Banks	1,298.07	1,711.91
Hire Purchase Term Loan from Bank	6.54	6.54
Hire Purchase Term Loan From NBFC *	1,249.96	1,358.51
National Skill Development Corporation	-	51.27
Unsecured		
Sales tax deferment Loan	207.16	-
Compulsorily Convertible Preference Shares	-	-
Compulsorily Convertible Debentures - Neev Fund	10,036.31	10,036.31
Loan from Associates -Andhra Networks Ltd	232.60	232.91
Loan from Raaja Magnetics Ltd	94.60	286.82
Loan from Associates - Powered EPC Services Ltd.	87.20	87.20
Loan from Suresh Productions Pvt. Ltd.	657.08	846.66
Loan from Associates - United Telelinks (Bangalore) Ltd**	3,166.63	2,320.35
Loans from Associates - Priyaraj Electronics Ltd	1,080.29	1,080.29
Loan from Directors	1,123.20	1,218.94

UNITED TELECOMS LIMITED

Notes to the Consolidated Financial Statements

	Amount in lacs (Rs.) As at	
	March 31, 2022	**March 31, 2021**
Loan from Enervoir Power Systems LLP - Related Party	20.83	20.83
Other Corporates	85.84	81.80
Total	**19,750.69**	**19,340.34**

* Term loan from NBFC - Indus Ind Bank assigned the above loan to Pegasus Group One Trust XXXI an Asset Reconstruction Company which is secured by securitisation of rentals of EPIP 88P. During the year, Pegasus Group One Trust XXXI assigned the above loan to ANA ARC Private Limited. The Closing balance in this account amounted to Rs. 1249.96 lacs as at 31st March 2022 (Previous year : 1358.51 lacs)

** The Holding company took loan of Rs. 1765 lacs from IDBI Bank against security by way of pledge of United Telelinks (B'lore) Ltd., fixed deposit receipts. On default by the company, the bank encashed the entire fixed deposits and adjusted the proceeds towards the outstanding loan amount alongwith interest of the company as on 30th March 2019. During the year, fixed deposit of Rs. 846.28 lacs kept with IDBI Bank by United Telelinks (B'lore) Ltd. matured and the bank adjusted the same against the outstanding loan of UTL. The necessary documentation transferring the bank loan amount in favour of United Telelinks (B'lore) Ltd is still pending.The closing balance of the loan as on 31st March 2022 is Rs. 3,166.63 lacs (P.Y. : Rs. 2,320.35 lacs including interest). Since the holding company is undergoing financial crunch, it has requested the Board of United Telelinks (B'Lore) Ltd. to waive off the interest for FY 2021-22 and accordingly no provision for interest has been made during the current financial year.

Details of Security pledged and carrying amounts of assets pledged as security for current and non current borrowings

i The company has availed Unsecured loan from Associates and outstanding balance as on March 31, 2022 is Rs. 4,566.72 lacs (March 31, 2021 - Rs. 3,720.75 lacs) to meet working capital requirement as stipulated by banks.

ii The company has availed unsecured loans from Directors and a related party and outstanding balance as on March 31, 2022 is Rs. 1,143.03 Lacs (March 31 2021 - Rs. 1,239.76 Lacs) to meet working capital requirements.

Note: 17 -Provisions:

Provision for Employee Benefits		
Gratuity	234.69	330.15
Leave Encashment	38.07	75.67
Total	**272.76**	**405.82**

UNITED TELECOMS LIMITED

Notes to the Consolidated Financial Statements

	Amount in lacs (Rs.)	
	As at	
	March 31, 2022	**March 31, 2021**
Note: 18 -Other Non-Current Liabilities:		
Security Deposit	-	604.13
Other Advances		
- Directors & their relatives	1,290.83	1,039.87
- Powered Epc Services - related party	-	88.71
- Others	1,446.87	181.00
	2,737.70	**1,913.70**
Note: 19 -Borrowings		
Secured		
Working Capital Facilities from Banks	5,223.34	6,830.43
Total	**5,223.34**	**6,830.43**
Note: 20 -Trade Payables:		
Creditors for goods- Related Party	-	0.39
Creditors for goods	1,870.65	11,652.15
Creditors for R&D	301.75	348.76
Creditors for Expenses	2,860.53	2,369.56
Creditors for MSME	71.28	167.68
Total	**5,104.21**	**14,538.54**
Note: 21 - Other current financial Liabilities		
Current maturities of Long-term debt		
-Secured		
Banks	-	1,120.00
Others	-	54.64
-Unsecured		
Directors	-	16.15
Employee Liabilities	106.10	3.83
Other payables	16.10	16.10
	122.20	**1,210.72**

UNITED TELECOMS LIMITED

Notes to the Consolidated Financial Statements

	Amount in lacs (Rs.)	
	As at	
	March 31, 2022	March 31, 2021
Note: 22 -Other Current Liabilities:		
Advance Received from Customers	8.61	111.46
Other Advances	-	88.86
- Andhra Networks Limited	-	0.07
Statutory Liabilities	2,740.97	2,592.20
Other Liabilities	624.07	1,219.78
Caution Deposit	79.40	82.88
Total	**3,453.06**	**4,095.24**
Note: 23 -Provisions:		
Provision for Warranty	-	-
Gratuity	49.21	219.29
Leave Encashment	9.29	23.60
Corporate Social Responsibility	-	15.08
Bonus Payable	-	11.53
Audit Fee Payable	-	0.11
Total	**58.50**	**269.62**

UNITED TELECOMS LIMITED

Notes to the Consolidated Financial Statements

	Amount in lacs (Rs.)	
	Year ended	
	March 31, 2022	March 31, 2021
Note: 24 -Revenue from Operations:		
Sales of Products	15.06	12,096.61
Managed Service (IT, Telecoms)	7,235.64	4,360.27
Income from Power Generation & Distribution	730.48	757.84
Unbilled Service income	525.00	-
Rental Income on Properties	815.40	696.77
Training Fees	182.86	87.69
Total	**9,504.44**	**17,999.18**
Note: 25 -Other Income:		
Interest Income	59.55	140.00
Dividend Income	0.27	-
Interest on Income Tax refund	0.19	0.39
Reversal of excess provision	267.99	816.98
Rent Income	12.85	46.66
Miscellaneous Income	9.22	132.30
Exchange Gain	-	25.62
Rent Recoverable from REEP	93.05	47.68
Excess Provision for Expenses no longer required reversed	575.33	-
Non Interest bearing Security Deposit no longer payable written back	-	937.88
Freight Charges received	-	0.16
Sundry Balances Written Back	416.37	-
Total	**1,434.83**	**2,147.68**
Note: 26(a)-Cost of Materials Consumed:		
Raw Materials :		
Stock at commencement	1,389.41	1,329.70
Add: Purchases	660.13	7,402.79
	2,049.53	8,732.50
Less: Stock at close	(1,487.11)	(1,389.41)
	562.42	7,343.09
Packing Materials consumed	-	-
Total	**562.42**	**7,343.09**
Note: 26(b) -Purchase of stock in trade and Raw Material:		
Purchase of stock in trade	-	-
Total	**0.00**	**0.00**

UNITED TELECOMS LIMITED

Notes to the Consolidated Financial Statements

	Amount in lacs (Rs.)	
	Year ended	
	March 31, 2022	March 31, 2021
Note: 27 -Changes in Inventories of Finished goods and stock in trade:		
Stock at commencement:		
Stock in Trade	85.24	635.49
Stock at Warehouse	186.56	1,608.29
Unbilled Services	2,654.31	-
WIP -Manufacturing	60.77	4,023.76
	2,986.88	6,267.55
Less: Stock at closure:		
Stock in Trade	33.68	314.23
Stock at Warehouse	188.15	186.56
Unbilled Services	367.37	2,654.31
WIP - Manufacturing	-	130.43
	589.20	3,285.54
Total	**2,397.69**	**2,982.01**

UNITED TELECOMS LIMITED

Notes to the Consolidated Financial Statements

	Amount in lacs (Rs.)	
	Year ended	
	March 31, 2022	March 31, 2021
Note: 28 -Employee Benefits Expense:		
Salaries, Wages and Bonus	1,509.16	1,389.57
Contribution to provident and other funds	31.89	97.06
Contribution to gratuity	0.19	40.54
Leave Encashment	10.36	16.21
Staff welfare expenses	20.03	22.09
Total	**1,571.64**	**1,565.47**
Note: 29 -Finance Costs:		
Interest on loans	2,022.82	2,547.65
Interest on Statutory Payments	0.45	0.70
Interest on lease liability	4.30	-
Interest on Others	170.00	6.14
Total	**2,197.57**	**2,554.49**
Note: 30 -Other Expenses:		
Advertisement and Sales Promotion	8.77	42.02
AMC	29.48	24.29
Auditors' Remuneration	15.29	16.65
Bad debts	466.89	72.84
Bank Charges	3.26	13.02
Block credit under GST	2.77	57.02
Commission paid	2.92	11.69
Communication expense	285.56	32.83
Corporate Social Welfare Activity	19.00	0.76
Corporate Training expense	1.75	5.43
Directors' Sitting Fees	1.44	4.60
Freight and Handling Charges	0.01	57.35
Insurance	14.12	26.03
Liquidated damages and penalty	-	154.33
Loss on exchange fluctuations	0.42	-
Asset Written back to the extent no longer required	-	34.15
Partner Revenue Share	102.78	46.98
Postage and Courier	26.20	8.31
Power and fuel	184.00	126.25
Printing and Stationery	11.68	52.35
Prior Period Expense	19.89	7.59
Rates and Taxes	65.18	2,545.63
Rent	142.15	148.21
Repairs and Maintenance:		
- Building	62.99	31.52
- Others	109.50	69.52
- Plant and Machinery	48.70	33.20
Pollution Treatment Expenses	-	2.25
Packing Material	-	0.04
Electricity Expenses	4.80	5.22
MCA Form Charges	0.69	0.17
Research and development expense	51.89	-
Provision for impairment of investments	2.50	

UNITED TELECOMS LIMITED

Notes to the Consolidated Financial Statements

	Amount in lacs (Rs.)	
	Year ended	
	March 31, 2022	March 31, 2021
Retainer and Consultancy	335.92	184.52
Project related expense	85.50	
Royalty, Technical and License fees	141.16	285.60
Security Charges	63.45	90.31
Software Expense	-	0.03
Testing and Analysis	1.73	0.82
Travelling, conveyance and accomodation expense	105.45	168.36
Vehicle running expense	39.63	32.58
Others	374.60	216.88
Total	**2,832.05**	**4,609.34**

Note: 31 -Extraordinary Items

Suppliers Credit balance unclaimed for more than 3 years written back	-	4,742.35
250 MW Power Plant Cost Written Off	-	(7,724.49)
Impairment provision made in earlier years in respect of 250 MW power plant written back	-	3,400.00
Insurance and Project expenses related to 250 MW power plant written off	-	-213.44
	-	**204.42**

Note: 32 - Other Comprehensive Income

Re-measurement of defined benefit plan	0.03	7.44
Income Tax on above	-0.08	0.00
Fair valuation of equity instruments	9.83	9.62
Total	**9.78**	**17.05**

UNITED TELECOMS LIMITED
Notes to the Consolidated Financial Statements

		Amount in lacs (Rs.)	
		Year ended	
		March 31, 2022	March 31, 2021
Note: 33-Earnings per Equity Share [EPS]:			
Profit after tax and before extraordinary items		2,889.04	2,188.09
Add/(Less): Extraordinary Items		-	(204.42)
Profit after tax and exceptional items		**2,889.04**	**1,983.67**
No. of equity shares outstanding as at year end		1,11,55,718	1,11,55,718
Weighted average number of equity shares used for calculating EPS		1,11,55,718	1,11,55,718
Nominal value of equity share	INR	10.00	10.00
Basic Earnings per equity share			
Profit after tax and before extraordinary items		**25.90**	**19.61**
Profit after tax and extraordinary items		**25.90**	**17.78**

Note: 34- Capital commitments, contingent liabilities:

Sr. No	Particulars	March 31, 2022	March 31, 2021
1	Guarantees given by the parent company's bankers	2,912.28	5,967.00
2	Demand by Service Tax department not accepted by the parent company and appealed against	2,400.00	-
3	Demand by sales Tax authorities not accepted by the parent company	111.58	111.58
4	Corporate Guarantee given to PTC Financial Services Ltd.	8,088.00	8,088.00
5	Claims against the parent company	-	-

The management of the company has reviewed the contingent liabilities listed above, and in their opinion that there is no further loss/ liability likely to arise or accrued other than what is already provided.

Note: 35- Undisputed Statutory Dues:

Statutory dues outstanding for more than 180 days are as under:

Sr. No	Particulars	March 31, 2022	March 31, 2021
1	Service Tax	501.04	482.17
2	Provident Fund Contribution	74.04	28.16
3	ESIC Payable	59.83	21.96
4	Sales Tax	-	-
5	VAT	1.89	-
6	GST Payable	664.05	235.90
7	Professional Tax	4.10	1.11
8	TDS	60.07	95.17
9	TCS	3.32	3.32
10	Property Tax	44.63	41.80

During the year the company received notice from Department of Commercial Taxes, Bengaluru demanding service tax of Rs. 2406 lacs against the outstanding dues of Rs. 501.04 lacs. The company has filed an appeal in the Appelant Tribunal which has been accepted. The matter is pending for further hearing.

Note: 36- Remuneration to Auditors:

Particulars	March 31, 2022	March 31, 2021
Audit fees - Statutory	13.35	13.35
Audit fees - Other Auditors	1.94	3.30
Total	**15.29**	**16.65**

The above compilation of audit fees has been prepared from available data and excludes certain subsidiaries whose accounts have not been received.

Note: 37- Managerial Remuneration:

Particulars	March 31, 2022	March 31, 2021
Salary and Perquisites Paid to		

Managing Directors	36.00	12.50
Whole Time Director	18.00	31.50
Total	54.00	44.00

The managerial remuneration for the current year is only given for the parent company.
The data pertaining to others is not available.

Note: 38- Particulars of Raw material, Components, packing materials and stores and spares consumed / debited to profit and loss account:

Particulars	March 31, 2022		March 31, 2021	
Raw materials components and packing material consumed including traded products		454.35		9,105.76
Of which : Imported	13.86%	62.99	16.46%	1,499.21
: Indigenous	86.14%	391.36	83.54%	7,606.55

The above data is only for parent company. Data regarding other subsidiaries is not available.

Note: 39- Details of Sale:

Particulars	March 31, 2022	March 31, 2021
DWDM NFS	-	9,209.32
Energy Meter	-	-
V Guard	14.79	60.02
Other Sales	0.26	156.57
Sales – Power	333.75	375.56
Network Equipment and other items	-	103.47
Total	**348.80**	**9,904.94**

The above data is only for parent company. Data regarding other subsidiaries is not available.

Note: 40- Details of Service Rendered Inclusive of Taxes:

Particulars	March 31, 2022	March 31, 2021
Issue of Smart card	1,682.07	1,495.56
E-Governance income	5,352.35	5,175.60
AMC and Installation Service	-	168.22
Service Income	201.22	-
Training Services	815.40	-
Total	**8,051.04**	**6,839.38**

The above data is only for parent company. Data regarding other subsidiaries is not available.

Note: 41- Details for Research and Development Expenses :

Particulars	March 31, 2022	March 31, 2021
Retainer and Consultancy	39.79	28.63
Materials Consumed	17.43	98.79
Software consultancy/implementation for R&D Project	48.84	120.41
Miscellaneous Expenses	-	2.13
Salaries, Wages and Bonus etc.,	138.70	260.29
Rent		
Development and Maintenance		2.78
EMR Expenses	-	3.03
Total	**244.76**	**516.06**

Rs. 26.20 lacs spent during the year has been shown under the head" intangible assets" in Schedule PPE.
The above data is only for parent company. Data regarding other subsidiaries is not available.

Note: 42- Value of Imports on C.I.F basis:

Particulars	March 31, 2022	March 31, 2021
Raw materials and components (*including traded items)*	62.99	195.80

The above data is only for parent company. Data regarding other subsidiaries is not available.

Note: 43- Earnings in foreign currency:		
Particulars	March 31, 2022	March 31, 2021
Export of Goods on FOB basis	-	-

The above data is only for parent company. Data regarding other subsidiaries is not available.

Note: 44- Expenditure in foreign currency:		
Particulars	March 31, 2022	March 31, 2021
Finance Charges	-	-
Travelling Expenses	-	-
Salaries & Wages	-	-
Guest house rent & Expenses	-	-
Total	-	-

The above data is only for parent company. Data regarding other subsidiaries is not available.

Note: 45- Segment Reporting :

Business Segments

The Group has considered business segment as the primary segment for disclosure. The products included in each of the reported domestic business segments are as follows:

a) **Sale of Products:**
   Manufacturing - Comprises of manufacture of telecom switching, transmission equipment and terminal products
   Others - Comprises of domestic as well as export trade in telecom & networking equipment, Mobile equipments, laptops, solar products and sale of printed circuit boards.
b) **E-governance and Other Services -** comprises of providing Wide Area Network services, GSM Services, annual maintenance service of telecom equipment.
c) **Issue of Smart Card** - comprises of capturing of individual data's and printing the same on Smart Card
d) **Real Estate** - comprises of Rental and Maintenance of building.
e) **Power Generation** – Solar Power

Note: 46- Working Capital Borrowings:

The parent company has availed working capital facilities from State Bank of India, Punjab National Bank (erstwhile Oriental Bank of Commerce), Canara Bank and IDBI Bank. Except State Bank of India all other banks have classified the company's accounts as Non Performing Asset. The sanctioned limits with these banks have expired and they have not been renewed by the respective 3 banks. During the year the company faced huge liquidity crunch in the realization of debtors. This has caused overdrawing in the working capital facilities at the year end. The bank facilities were overdrawn by Rs. 4,869.75 lacs (Previous year : Rs. 6,212.12 lacs). However, IDBI bank has been closed in full during the month of September 2022 and Canara Bank has been closed by assignment to ANA ARC Pvt. Ltd on 13th October 2022. Canara Bank had filed a case in DRT in September 2021 for recovery of dues from the company. The bank is yet to file withdrawal of petition with the court. Punjab National Bank has also filed a case against the company in DRT for recovery of dues. They have also filed an affidavit in High Court of Delhi for recovery of Rs. 3200 lacs out of the deposit pledged by BBNL towards the judgement amount.

One of the subsidiaries namely United Surya Energy Ltd. had borrowed money from one of its directors. The subsidiary has passed necessary resolution under Section 188 of the Companies Act, 2013. However the requisite forms are yet to be filed with ROC. The company has to file condonation of delay application with MCA for delay in filing of the forms. The penalty is not ascertainable as of now. The loan is repayable in 82 installments of Rs. 29.30 lakhs inclusive of interest @ 17%.

Note: 47- Investment- Fair Value less than the cost:

a) The Investments are strategic and long term in nature. On transition to IND AS the parent company has opted to carry the investment in associates using equity method.

b) Some of the subsidiaries have incurred losses which has resulted in erosion of capital and negative networth.

c) The management of the parent company has started impairment test for all the subsidiaries which has got delayed due to several pressing issues faced by the parent company. Pending result of the impairment test, no provision has been considered for dimunition in the value of the investments.

Note: 48- Development of Land for Export Promotion Industrial Park:

The parent company had entered into Memorandum of Understanding with a land developer for developing of its land situated at # 113, 114 and 115 at Export Promotion Industrial Park. The developer abandoned the project midway. The parent company took up the project and has completed substantial portion of the work. The bare shell is ready and various statutory approvals such as approval from Karnataka Fire Services Department, Airports Authority of India and others have been obtained by the company. Since the company intends to earn rental income by leasing space in this property, it has decided to transfer the amount spent so far i.e. Rs. 6497.51 lacs from Capital Work in Progress (CWIP) to Investment in Property.

Note: 49 - Provision for Income Tax/ Deferred Tax

In parent company, income tax provision of Rs. 132.05 lacs for the current year has been carried out as per normal provisions of the Income Tax Act.

Deferred tax provision of Rs. 19.93 lacs (net) has been made in 2 subsidiaries and normal tax provision of Rs. 132.05 lacs has been made in the case of parent company.

Note: 50 - MAT Credit Entitlement

The parent company has accumulated MAT credit entitlement totaling Rs. 6717.64 lacs as on 31st March 2022.

Note: 51- Related Party disclosures :

a. **Relationship & name of related party**

Sr No	Particulars	Related Party	Relation
1	Enterprise under the common control of the Group	United Telecoms e-services Pvt Ltd (struck off by ROC) UTL Technologies Ltd India Software Labs Private Ltd (struck off with effect from 04/05/2022) United Surya Energy Ltd NSP Electronics Ltd United Microelectronic Solutions Ltd (struck off with effect from 04/05/2022 United Wireless Technologies Ltd New Era Power Corporation Ltd United Sustainable Energy India Pvt Ltd United Thermal Power Corporation Ltd (struck off with effect from 04/05/2022) Teleworld United Pvt Ltd	Subsidiaries
		Gujarat Online Ltd Priyaraj Electronics Ltd United Telelinks (Bangalore) Ltd Andhra Networks Ltd United ERP Solutions Ltd Itasca Software Development P Ltd Promuk Hoffman International Ltd United Power and Steel Alloys Ltd Powered EPC Services Ltd. Trigyn Technologies Ltd Leading Edge Infotech Limited Trigyn Technologies Inc., Trigyn Technologies Schweiz Gmbh Trigyn Technologies (India) Private Limited Embassy ANL Consortium	Associates
2	Enterprises in which Directors of the parent company are interested	Alsephina Pvt. Ltd. Bangalore Electric Bus Pvt. Ltd. Intactus Lifesciences Pvt. Ltd. Indus Natures Hub Pvt. Ltd. Ayontec N.K.Travel Representation Pvt. Ltd. Tashka Healthcare Pvt. Ltd.	
2	Key Management Personnel	Dr. P. Raja Mohan Rao	Non Executive Chairman
		Dr. (Mrs) Padmavathi. P	Managing Director
		Mrs. Krantipriya Chakravarty Mitra	Whole Time Director with effect from 1st April 2021
		Mr. Nagesh Ramineni	CFO
		Ms. Dipika Todi	Company Secretary till 24th February 2022
		Ms. Payal Kumari	Company Secretary with effect from 20th July, 2022
3	Relative of KMP	Mrs. C. Padmavathi	Relative of KMP
		Ms. P. Bhavana Rao	Director
		Dr. Sandhya Chalasani Rao	Relative of KMP
		Mr C V Rao	Relative of KMP
		Mr. P. Bharath Rao	Relative of KMP

Particulars of related party transactions during the year ended 31st March,2022

Nature of transactions		
a. Associates		
Transactions during the year		
	March 31,2022	**March 31,2021**
Purchase/(Sale) of Material/ services	-	7.94
Rent Paid	-	12.00
Rent received (unbilled)	225.00	-
Interest free refundable rent advance	205.00	-
Fixed deposit of associate adjusted against outstanding borrowings of the company	846.28	
Expenses paid on behalf of the related parties	170.00	23.91
Expenses of the company paid by associate company	4.70	2.37
Loan & Advance Paid	8.00	252.11
Loan & Advance Received	1.85	238.07
Unsecured Loan Received	-	100.00
Unsecured Loan Repayment Received	-	28.00
Unsecured Loan Paid	-	-
Interest Received	-	31.48
Interest paid	-	242.74
Dividend Received	-	34.25
Balances as at year end		
	March 31,2022	**March 31,2021**
Debtors/ Advances Receivables	432.58	371.06
Advances/ Creditors Payables		285.32
Interest free refundable rent advance	205.00	
Investment (net)	10,364.22	10,364.22
Loan Given	-	188.94
Loan Taken	3,282.51	3,359.77
Guarantee issued	8,088.00	8,088.00
b. Key Management Personnel		
Transaction during the year		
	March 31,2022	**March 31,2021**
Managerial Remuneration	36.00	44.00
Remuneration paid to CFO & Company Secretary	29.08	26.50
Rent	27.00	
Interest free refundable security deposit for rent	22.50	
Maintenance Charges	3.00	
Loan & Advance Paid	-	181.66
Amount Repaid	-	178.89
Balances as at year end		
	March 31,2022	**March 31,2021**
Interest free refundable security deposit for rent	22.50	-
c. Relative of Key Management Personnel		
Transaction during the year		
	March 31,2022	**March 31,2021**
Loan & Advance Paid	-	-
Loan & Advance Received	-	-
Balances as at year end		
	March 31,2022	**March 31,2021**
Advances/ Creditors Payables	918.77	922.09

The above data is provided for parent company. The data pertaining to others is not available.

Note: 52- Employee Benefits - Parent company. Data for others is not available

Particulars	March 31,2022		March 31,2021	
	Current	Non-current	Current	Non-current
Gratuity	48.15	228.76	48.40	494.21
Compensated Absences (Leave Salary)	8.73	34.39	-	95.06

Gratuity

The parent company's liability towards gratuity is determined on the basis of year end actuarial valuations applying the Projected Unit Credit Method done by an independent actuary. While carrying out the actuarial valuation of gratuity, the following major assumptions are taken into consideration

	March 31,2022	March 31,2021
Salary Escalation (on Long term Basis)*	2.00%	5.00%
Discounted Rate	6.65%	6.98%
Withdrawal Rate	8.00%	15.00%
Expected Average Remaining working lives of employees (Years)	23.86	23.96
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Principal Plan Provisions	Payment of Gratuity Act 1972 as amended up to date	Payment of Gratuity Act 1972 as amended up to date
(Gain)/Loss on Plan Liabilities	-	152.12
% of Opening present value of Obligation	0.00%	1.19%
Benefit Paid	-	26.71

*salary escalation is considered at 2% for the first 2 years and 6% beyond year 3

Sensitivity Analysis:-

March 31,2022	Salary Escalation rate		Discount Rate	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Impact on statement of profit and Loss	16.07	(14.59)	(14.96)	16.72
March 31,2021	Salary Escalation rate		Discount Rate	
	Increase 1%	Decrease 1%	Increase 0.5%	Decrease 0.5%
Impact on statement of profit and Loss	38.49	(33.83)	(17.17)	18.51

Compensated Absence

The parent company has provided for liability towards leave salary based on actuarial valuation. The parent company's liability towards leave salary is determined on the basis of year end actuarial valuations applying the Projected Unit Credit Method done by an independent actuary. The following major assumptions are taken into consideration.

Principal actuarial assumptions as at Balance sheet date:	March 31,2022	March 31,2021
Discount rate	6.65%	6.98%
[The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistence with the currency and terms of the post-employment benefit obligations]		
Annual increase in salary cost	2.00%	5.00%
[The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market]		
Employee Attrition Rate (Past Services)	8.00%	15.00%
Expected average remaining services	23.86	23.96

Sensitivity analysis

March 31,2022	Salary Escalation rate		Discount Rate	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Impact on statement of profit and Loss	2.89	(2.63)	(2.70)	3.02
March 31,2021	Salary Escalation rate		Discount Rate	
	Increase 1%	Decrease 1%	Increase 0.5%	Decrease 0.5%
Impact on statement of profit and Loss	7.82	(6.95)	(3.62)	3.88

Defined Contribution Plan

The parent company also has certain defined contribution plans. Contributions payable by the parent company to the concerned Government authorities in respect of Provident Fund, Family Pension Fund and Employees State Insurance are charged standalone Statement of Profit and Loss. The obligation of the parent company is limited to the amount contributed and it has no contractual or any constructive obligation.

Note: 53- Financial Instruments

A. Accounting classification and fair values

March 31, 2022	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total
Financial assets				
Investments	-	9.83	64,480.35	64,490.18
Trade Receivables	-	-	23,781.59	23,781.59
Cash and cash equivalents	-	-	483.64	483.64
Bank Balance Other Than Above	-	-	1,042.59	1,042.59
Other current financial assets	-	-	141.20	141.20
Financial liabilities				
Non current Borrowings	-	-	19,750.69	19,750.69
Current Borrowings	-	-	5,223.34	5,223.34
Trade payables	-	-	4,620.55	4,620.55
Other Current financial liabilities	-	-	122.20	122.20

March 31, 2021	Fair Value through Profit or Loss	Fair Value through OCI	Amortised Cost	Total
Financial assets				
Investments	-	9.62	61,137.26	61,137.26
Trade Receivables	-	-	34,069.23	34,069.23
Cash and cash equivalents	-	-	300.19	300.19
Bank Balance Other Than Above	-	-	2,030.83	2,030.83
Other current financial assets	-	-	78.51	78.51
Financial liabilities				
Non current Borrowings	-	-	19,340.34	19,340.34
Current Borrowings	-	-	6,830.43	6,830.43
Trade payables	-	-	14,538.54	14,538.54
Other Current financial liabilities	-	-	1,210.72	1,210.72

The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the company internally reviews valuation, including independent price validation for certain instruments. Further, in other instances, the group retains independent pricing vendors to assist in corroborating the valuations of certain instruments.

The fair value of the financial assets and liabilities are included at the amount at which the instrument that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date

The amount of fair value adjustment of the above financial asset and liabilities (except investment in unquoted securities which is fair valued through OCI) is considered to be insignificant in value and hence carrying value and the fair value is considered to be the same.

The carrying amounts of cash and cash equivalents, bank balance, advances, recoverable, trade receivable, trade payable, dues from subsidiary company, and other payables are considered to be the same as their fair values due to their short term nature.

Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instrument into three levels prescribed under the accounting standard.

Level 1 : Level 1 hirerachy includes financial instrument measured using quoted prices

Level 2 : The fair value of financial instrument that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possbile on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is inclued in level 2.

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Note No. 54 (a)

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2022 and 31 March 2021

Particulars	Level	March 31, 2021	March 31, 2020	Valuation	Inputs used
a) Financial assets measured at fair value through other comprehensive income					
Investments	3	9.83	9.62	Discounted Cash Flow	Forecast cash flows, discount rate, maturity
b)Financial assets measured at amortised cost					
Investments	2	64,480.35	61,137.26	Discounted Cash Flow	Forecast cash flows, discount rate, maturity
Trade Receivables	2	23,781.59	34,069.23		
Cash and cash equivalents	2	483.64	300.19		
Bank Balance Other Than Above	2	1,042.59	2,030.83		
Other current financial assets	2	141.20	78.51		
c) Financial liability measured at amortised cost					
Non current Borrowings	2	19,750.69	19,340.34	Discounted Cash Flow	Forecast cash flows, discount rate, maturity
Current Borrowings	2	5,223.34	6,830.43		
Trade and other payables	2	4,620.55	14,538.54		
Other Current financial liabilities	2	122.20	1,210.72		

During the year ended 31 March 2022, 31 March 2021 and 31 March 2020 there were no transfers between level 1 and level 2 fair value measurements and no transfers into and out of level 3 fair value measurement.

Note: 54(b)- Financial risk management objectives and policies:

The parent 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 parent company's operations. The parent company's principal financial assets include cash and cash equivalents that derive directly from its operations.

The parent company is exposed to market risk, credit risk and liquidity risk. The parent company's management oversees the management of these risks. The Group's senior management is supported by senior financial advisors / executives who advises on financial risks and the appropriate financial risk governance framework for the Group which provides assurance to the parent company's management that the parent company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the parent company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, currency risk. Financial instruments affected by market risk include loans and borrowings, deposits.

a Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There's no risk to the parent company due to changes in market interest rates as the long - term borrowings of the parent company are unsecured, interest free, and repayable on demand.

b Foreign currency risk:

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The parent company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions primarily to USD. The parent company manages its foreign currency risk by natural hedging transactions that are expected to receive in USD and payable in USD

parent company does not enter into derivative instrument in order to hedge its foreign currency risks.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant.

	31-Mar-22		March 31, 2021	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
2.5% movement				
USD	-	-	1,13,49,311.00	(1,13,49,311.00)

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading

Liquidity risk

Liquidity risk, also known as funding risk, the risk that the parent company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2022:

Particulars	Carrying Amount	On demand	Less than 1 year	More than 1 year
Borrowings	12,735.63	-	6,468.00	6,267.63
Trade Payable	3,440.04	3,440.04	-	-
Other liabilities	-	-	-	-

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

Particulars	Carrying Amount	On demand	Less than 1 year	More than 1 year
Borrowings	15,520.64	-	6,830.43	8,690.21
Trade Payable	13,381.97	13,381.97	-	-
Other liabilities	-	-	-	-

Excessive risk concentration:

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the parent company's policies and procedures includes specific guidelines to focus on the maintenance of its operations. Identified concentrations of credit risks are controlled and managed accordingly.

Note: 55- Bank facility of parent company

Bank facilities classified as non-performing asset by respective banks

Working capital Borrowings - Balance Outstanding as at March 31st, 2022 -Rs. 5,223.34 lacs (Previous Year : Rs. 6,830.43 lacs) included in above balances, following amounts from banks are classified as NPA (Non Performing Assets) as at 31st March 2022

Name of Bank	Sanction Limit	Outstanding as on 31.03.2022	Overdue, if any	NPA since when
Canara Bank	-	961.68	(961.68)	11.12.2015
Punjab National Bank (erstwhile Oriental Bank of	1,700.00	2,938.46	(2,938.46)	31.03.2016
IDBI	500.00	969.61	(969.61)	20.05.2018

Since the above accounts are classified as NPA, sanctioned limits have expired and not been renewed by the respective banks. The entire outstanding as at 31st March 2022 is overdue

Note: 56- Details of foreign currency exposure:

The details of outstanding foreign currency exposure of the parent company, not covered by forward contract, as at March 31, 2022 are as under:

Particulars	Amount in USD		Amount in lacs (Rs.)	
	March 31,2022	March 31,2022	March 31,2022	March 31,2022
Financial Assets				
Trade Receivable	-	63,982.24	-	46.87
Financial liabilities				
Trade Payables	-	62,78,526.31	-	4,599.02
Net Exposure	-	(62,14,544.07)	-	(4,552.15)

The above data is only for Holding company. Data regarding other subsidiaries is not available.

Note: 57- Assets under Hire Purchase:

The minimum hire installments outstanding as on 31.03.2022 in respect of assets under hire purchase agreement as follows:

Particulars	Total Minimum Hire Charges Payable		Future interest on Minimum Lease Rent		Present Value of Minimum Lease Rent	
	March 31,2022	March 31, 2021	March 31,2022	March 31, 2021	March 31,2022	March 31, 2021
Within one year	-	14.76	-	1.40	-	15.17
Later than one year and not later than three year	-	6.24	-	1.00	-	5.24
later than 3 years and not later than 5 years	-	0	-	-	-	-
Total	**-**	21	**-**	**2.40**	**-**	**20.41**

The above data is only for Holding company. Data regarding other subsidiaries is not available.

General Description of hire purchase terms

a. Hire charges are charged on the basis of agreed terms
b. Assets are taken on hire purchase over a period of 36 months to 60 months

Note: 58 -

The Parent company had approached Reserve Bank of India (RBI) with an application for condonation of delays in submission of documents to the regulator in respect of investments made in overseas companies. The same is pending with RBI for final disposal. Pending approval of the request, the parent company has written off these amounts fully in the books of accounts.

S.No	Name of the company	Country	Amount in lacs
1	Lanka Internet Services Ltd	Sri Lanka	1,031.59
2	Chalm way Pty ltd	Australia	571.80
3	United Communication Ltd	Mauritius	758.56

The amount of penalty/compounding on the parent company's application for condonation has not been decided by the Regulatory Authorities. The effect of the same on financial position is not ascertainable at this stage as such no provision has been made by the parent company.

Note: 59- Security for term loans and funded interest facilities from banks to the parent company

S.No	Name of the Bank	Facility offered by bank	Limit (Rs. in crores)	Security Details	Value of the Properties (Rs. in crores)	Rate of Interest Charged on NPA
A.	**Working Capital Facilities**					
1	IDBI Bank	Cash Credit	5.00	1) Equitable Mortgage of land being vacant plot admeasuring 12300 sq. feet at site No. 321, Khata No. 131, Ruby Cottage, Inner Circle, Whitefield Bangalore belonging to Dr. P Padmavathi for the additional limit of Rs 25 crores		

		LC/BG	75.00	2) Equitable Mortgage of land being plot No. 8/4, Whitley Layout, Whitefield Bangalore belonging to Rohit Packaging & Allied Industries (associate company) for the additional limit of Rs 25 crores 3) Equitable Mortgage of Converted industrial land at Veeranahalli village in Survey Nos. 33/3 & 33/4 (3 items) belonging to the parent company 4) Equitable Mortgage of Converted industrial land at Veeranahalli village in Survey Nos. 33/1 & 33/2 belonging to the parent company 5) Proposed Equitable Mortgage of converted industrial land at Veeranahalli village in Survey No. 38/3 6) Equitable Mortgage of Villa No. 05 in E1 of Chaitanya Oak Villa	65.00	
2	State Bank of India	Cash Credit	7.00	1) Pari passu charge on Land & Building situated at: No. 19/6/1, [old No.72] Rajajinagar Industrial Suburb, Ashokpuram Road, Yeshwanthpura, Bangalore, owned by the parent company.	20.00	
		BG	6.50	2) Pari passu second charge on Land & Building situated at No. 777 G, HAL 2nd stage, Indiranagar, 100ft Main Road, Bangalore, owned by M/s. Priyaraj Electronics Ltd. (associate company).	20.00	
				3) Pari Passu second charge on Land & Building situated at No. 88 P1, EPIP Area, Whitefield Bangalore owned by the parent company	260.00	
3	Canara Bank	BG	75.00	1) Pari passu charge on Land & Building situated at: No. 19/6/1, [old No.72] Rajajinagar Industrial Suburb, Ashokpuram Road, Yeshwanthpura, Bangalore, owned by the parent company.	20.00	
		CA	-	2) Pari passu second charge on Land & Building situated at No. 777 G, HAL 2nd stage, Indiranagar, 100ft Main Road, Bangalore, owned by M/s. Priyaraj Electronics Ltd. (associate company).	20.00	
				3) Pari Passu second charge on Land & Building situated at No. 88 P1, EPIP Area, Whitefield Bangalore owned by the parent company	260.00	

4	Punjab National Bank (erstwhile Oriental Bank of Commerce)	Cash Credit	17.00			
		LC	-			
		BG	2.00			
5	Dhanlaxmi Bank	BG	24.22	Equitable Mortgage of land and building in Survey No.18A and 19, Doddanakundi Phase II Industrial Area, KR Puram Hobli, Bangalore 560048, belonging to Priyaraj Electronics Ltd. (associate company)	160.00	
	Total		**211.72**			

S.No	Name of the Bank	Facility offered by bank	Limit (Rs. in crores)	Security Details	Value of the Properties (Rs. in crores)	Rate of Interest Charged on NPA
A.	Term Loans					
1	Dhanlaxmi Bank for Solar Project		22.00	Equitable Mortgage of land and building in Survey No.18A and 19, Doddanakundi Phase II Industrial Area, KR Puram Hobli, Bangalore 560048, belonging to Priyaraj Electronics Ltd. (associate company)	160.00	
2	State Bank of India		4.01	Equitable Mortgage of Property situated at S No. 58, 59/1 & 59/(B) A situated at Whitefield, Bangalore.)	60.00	
3	ANA ARC Private Limited		12.90	First charge on Land & Building situated at No. 88 P1, EPIP Area, Whitefield Bangalore owned by the company	260.00	
	Total		**38.91**			
	Term Loans are secured by personal guarantees of the promoters					

Note: 60- Corporate Social Responsibility

As per Companies Act 2013, the parent Company is required to spend 2% of the average profit of last three years for CSR activities. The parent co
to work out the amount of CSR to be provided for FY 2020-21. The company has carried forward provision for CSR of FY 2019-20 amounting to Rs.
Subsequent to close of the financial year 2020-21, the parent company has transferred Rs. 38.14 lacs to PM Cares Fund in FY 2021-22.

Particulars	March 31, 202	March 31, 2021	March 31, 2020
Amount Required to be spent	-	-	15.08
Amount Spent	-	19.08	15.08
Amount un-spent	-	-	-

Note: 61- 250MW Power Plant

The company conceived the 250MW thermal power plant project in the year 2010 when there was huge demand for power and there was acute shortage of power generation. The major part of the project consisting of used 250MW thermal power plant was procured from a New Zealand company. The total landed cost of the used power plant including dismantling, transportation, insurance and other incidental expenses to bring the power plant to Krishnapatnam Port in Andhra Pradesh amounted to Rs. 12729 lacs. The company incurred Rs. 880 lacs towards pre-operative expenditure which included project report, clearances and other expenses. Considering undue delay in obtaining clearances and approval of DPR, source of funding and also the effect of slow down of private investment in the power sector on account of competition from renewal energy developers, the company had to pull out from the proposed power project since the cost of power generation was much higher compared with the prevalent market rates. Thus the project became unviable and the imported power plant became surplus and was held for sale. The company made provision for impairment in the financial years 2017-18, 2018-19 and 2019-20 totaling Rs. 3400 lacs. The power plant is bonded at Krishnapatnam Port and the Customs authorities have permitted the company to re-export the same before 31st December 2022. Earlier the company attempted to re-export the thermal power plant and got an offer for USD 8 Million dollars from a South African party. However, they backed out from the commitment to buy the power plant. The company had estimated the salvage value of the power plant at Rs. 5100 lacs and it had accordingly written off Rs. 7938 lacs (including insurance and project clearance expenditure) after deducting the salvage value to the statement of profit and loss in FY 2021-22. Further the company had reversed the rent provision of Rs. 571 lacs made in earlier years to Port Authorities in FY 2021-22. The company is now in discussions with several prospective buyers and it has received an oral offer from one prospective buyer for Rs. 6200 lacs (subject to several conditions). Since this offer is more than the salvage value recorded in the books, the company has decided not to make any provision for the same in the current financial year. The estimated salvage value of the power plant is shown the under the head "inventories" (Note No. 5) in the financial statements for the year ended 31st March 2022.

Note: 62 - Property, Plant & Equipment – (PPE):

a During the year, PPE have been physically verified by the management of the respective companies . There are no discrepancies between the book records and physical inventory.

b The Title Deeds of all the immovable properties are held/registered in the name of the Group. The parent company is in the process of registering situated at Tiruvanamalai, Vizipura, Bangalore and KIADDB land at Hoskote, Bangalore amounting to Rs. 2012.28 lacs. There is delay in getting done mostly on account of several cumbersome compliances and registration formalities that needs to be complied with.

c Capital Advances have been included under non-current assets. Loans and advances and are not included under PPE.

Note: 63 - Inventory:

The inventory comprising of raw material and finished goods is physically verified by the management of respective companies at regular intervals. As per the policy of the Group the same has been valued at cost or realisable value whichever is lower. The valuation has been certified by the management of the respective companies.

Note: 64 - Arbitration case filed by the parent company against Bharat Broadband Network Ltd (BBNL)

In the above arbitration case the facts and matters of dispute in brief is as under :

The company was awarded advance purchase order (APO1) for Rs. 29100 lacs by BBNL in September 2014. APO1 was for supply, installation, commissioning and maintenance of Gigabit Passive Optical Network (Gpon) equipments and Solar power equipments, to be completed by May 2015. Components for the equipments were imported and then assembled at the company's factory site conforming to the technical specification certificate from BBNL. The equipments were then dispatched to the various sites in lots for installation. The company had supplied equipments and billed to the tune of Rs 8076 lacs by 31st May 2015. 60% payment amounting to Rs. 4800 lacs was received with considerable delay after deducting liquidated damages to the tune of Rs. 1200 lacs. Installation of the equipments was linked to laying of optical fibres which was undertaken by Bharat Sanchar Nigam Limited (BSNL). Since there was delay on the part of BSNL in laying the optical fibres, installation of the equipments were delayed. Balance payment of 30% amounting to Rs. 2400 lacs was not paid due to which the company could not meet the LC commitments with the banks. Due to certain rethinking on the technology aspects of the project at the highest level of BBNL, the company was asked to hold further supplies. The company had opened LCs to the tune of Rs. 12000 lacs from its working capital facilities with IDBI Bank, Canara Bank and Oriental Bank of Commerce (now merged with Punjab National Bank) with a view to meet the supplies schedule. Holding of supplies led to piling up of inventory to the tune of about Rs. 4500 lacs procured for the Gpon project, aggravating the cash flow problem of the company. The company was unable to meet LC commitments rendering the accounts with IDBI Bank, Canara Bank and Oriental Bank of Commerce (now merged with Punjab National Bank) as irregular. The company had submitted performance bank guarantees of Rs. 2922 lacs (Rs. 2422 lacs from Dhanalaxmi Bank and Rs. 500 lacs from Canara Bank) to BBNL in 2014. The company was awarded APO2 for Rs. 58900 lacs in 2015 but it never

As the parent company could not complete the APO1 in time due to the above reasons, BBNL had invoked the performance bank guarantees which aggravated the irregularity position. The company followed up with BBNL for recovery of outstanding dues which included loss on account of wrongful deduction of liquidated damages, wrongful invocation of bank guarantees and cost incurred in keeping the bank guarantees alive. UTL filed for arbitration proceedings with the Arbitration Tribunal in January 2017 claiming damages and losses. After prolonged discussions and cross examining the witnesses/employees, the arbitration order was issued in favour of the company wherein the arbitrator allowed payment of a sum of Rs 69.77 crores with interest @ 12% from 27.4.2017 up to 90 days from 9th July 2018 (date of award) towards i) loss on account of illegal/wrongful deduction of LD, ii) wrongful/illegal invocation of bank guarantees iii) outstanding dues payable by BBNL and iv) cost incurred in keeping the Performance Bank Guarantee (PBG) for Rs 29.22 crores alive. The arbitrator also directed BBNL to return the PBG to the company forthwith. BBNL chose to appeal against this order in the High Court of New Delhi and requested to change the Arbitrator appointed by them. However, Honorable High Court rejected their request. BBNL then filed an appeal with the Honorable Supreme Court which directed the Honorable High Court to appoint the Arbitrator from Judiciary. Justice M.Jagannadha Rao (Rtd.) was appointed as Sole Arbitrator in the matter and the award given by the Arbitration Tribunal was set aside. Justice Rao pronounced the judgement in the matter of APO2 on 6th June, 2021 in favour of the company directing BBNL to pay Rs. 71.52 crores with further interest of 6%. BBNL filed an appeal with the Honourable Delhi High Court against the arbitration award given by Justice M.Jagannadha Rao. The company has requested its bankers (Punjab National Bank) to request the court to release the bank guarantees so that the same can be adjusted against their borrowings. The bankers have approached the courts and the matter is posted for hearing on 23rd February 2023.

Note: 65- Arbitration case filed by the parent company against Electronic Corporation of Tamil Nadu (ELCOT)

The company, in the year 2012, alongwith Shenzhen EMC Technologies Co. Ltd., China and Arunachala Impex Private Limited as consortium partners participated in a tender floated by Electronic Corporation of Tamil Nadu for supply of 7,84,000 laptops. The company was awarded contract for supply of 2,50,000 laptops and backpacks vide PO dated 17/12/2012. ELCOT requested the supply in 2 tranches of 120,000 and 130,000 numbers. The company submitted bank guarantee for this project amounting to Rs. 12.59 crores and periodically extended the same. ELCOT failed to pay as per schedule of payment and the company preferred to go for arbitration and claimed an amount of Rs. 81.60 crores consisting of the following :

S. N	Particulars	Amount in Rs. Lacs
1	Release of sum withheld as LD	1,091.32
2	Release of balance sum due	0.90
3	Loss due to reduction of quantity	1,918.80
4	Loss of opportunity	3,367.49
5	Loss due to roll over of LCs	53.19
6	Interest	1,728.87
	Total	**8,160.57**

The Honorable Arbitrator Retd. Justice Dr. P Jyothimani after perusing all the documents submitted by both parties and cross examination of witnesses passed an award on 10/03/2021 in favour of the company for Rs. 1729 lacs (comprising of Rs. 90,982 as balance sum due and Rs. 1728 lacs as interest). While passing the order, arbitrator has disallowed parent company's claim towards withholding of LD amount of Rs. 10.91 crores, loss of reduction in quantity of Rs. 1919 lacs, loss due to rollover of LC - Rs. 53.19 lacs and loss of opportunity of Rs. 3367 lacs. ELCOT has challenged the arbitration award in the Honourable High Court of Tamil Nadu. Both the company and ELCOT has submitted their replies and the matter is posted for final arguments in the first week of December 2022.

Note: 66- Railtel Project

The parent company signed an agreement with Railtel Corporation of India Limited ("Railtel") (a Government of India Undertaking) in 2013 for jointly creating telepresence as a service business with equal responsibilities and providing the services as a Multi Utility Partner (MUP). UTL was to invest, procure, install, commission and provide the support services to the T-Pass clients and customers. Railtel was to provide the bandwidth for networking. Due to reduction of broadband charges by telecom operators and with the availability of other platforms for video conferencing, the competition became tough and enough business could not be created for making this project viable. The parent company kept on supporting Railtel for providing the required services. Railtel unilaterally issued the termination notice to the company on 12/06/2019. The parent company replied to Railtel on 01/07/2019 citing reasons for continuing the association.

As per the agreement, Railtel paid Rs 6.17 crores till 30th May 2017 towards subscription amount. The parent company had invested around Rs. 18 crores towards infrastructure for this project and had incurred Rs. 316 lacs as finance cost to service the project. The parent company also paid operations and field staff salaries amounting to Rs. 200 lacs. Railtel terminated the agreement on 24/10/2019.

The parent company has claimed Rs. 673 lacs as balance subscription amount till 30th September 2019, Rs. 409 lacs as depreciation for the infrastructure deployed and Rs. 316 lacs as finance cost incurred for this project. Total claim of the parent company amounted to Rs. 1398 lacs. Railtel has disputed the parent company's claim and raised a counter claim of Rs. 48 lacs on the parent company.

Presently around Rs. 716.96 lacs (written down value) of fixed assets comprising of End points, Network Operating Center and Smartnet is being carried forward in the books of accounts of the company as at 31st March 2022. These assets are in the possession of Railtel Corporation. The parent company has transferred these assets from Property, Plant and Equipment and shown the same under the head "Other Non Current Assets" pending settlement of the matter with Railtel. During the year the parent company has also written off Rs. 143.41 lacs of Trade receivables from Railtel as bad debts. The parent company has given bank guarantee of Rs. 100 lacs to Railtel Corporation which is outstanding.

The parent company is negotiating with Railtel for amicable settlement and to recover the balance dues from Railtel Corporation.

Note: 67- Loans and advances

The parent Company had over several years given advances to its subsidiaries and its associates amounting to Rs. 2451.11 lacs as at 31st March, 2022 (Previous Year : Rs. 2248.90 lacs) to meet certain expenditures. As the subsidiaries and associates have accumulated losses and in some cases no business activity, the recovery of these advances appears to be difficult. No provision has been made as the management is considering options for revival of some of the subsidiaries and its associates. One of the company's subsidiary - United Telecoms e-Services Pvt. Ltd has been struck off from Registrar of Companies records u/s. 560 as defunct company. The company has received advance of Rs. 176.77 from this related party in earlier years. The company has written off advances amounting to Rs. 19.89 lacs given to 3 subsidiaries which have been struck off during the current financial year

Name of the Company	**Relationship**	**Amount written off (Rs. In lacs)**
United Thermal Power Corporation Limited	Subsidiary of the parent	12.91
India Software Labs Private Limited	Subsidiary of the parent	3.71
United Microelectronic Solutions Ltd.	Subsidiary of the parent	3.27
	Total	**19.89**

Note: 68- :

Suppliers covered by Micro, Small and Medium Enterprises Development Act, 2006 (the Act) and Industrial (Development & Regulation) Act, 1951.

a As represented by the management, based on the details regarding the status of the suppliers, to the extent obtained, some suppliers are covered under the Micro, Small and Medium Enterprises Development Act, 2006. The auditors have relied upon the management information of the respective companies in this regard.

b To the extent information available, the Group does not owe any sum to small scale industrial unit as defined in clause (j) of Section 3 of the Industrial (Development & Regulation) Act, 1951. The auditors have relied upon the management information in this regard.

c As represented by the company, the parent company owes a sum of Rs. 71.28 lakhs to micro enterprises and small enterprises. Accordingly, the company has made a separate disclosure under Trade Payables in Part I – Balance Sheet as required by the notification dated 04th September, 2015 pertaining to alterations in Schedule III issued by MCA. Data regarding the subsidiaries is not available.

d In respect of above the auditors have relied upon the management information of the respective companies.

Note: 69- :

During the year, the independent confirmations are not obtained by the Group for Long and short term liabilities and loans and advances. Similarly, related party balances of the Group are subject to confirmation by respective parties

Note: 70- Sale of pledged sales of Trigyn Technologies Limited :

With an intention to avail credit facilities to the tune of Rs. 5 crores, the parent company approached Godavari Commercial Services Pvt. Ltd. ("GCSPL") and Coastal Fertilizer Limited ("CFL"). The parent company offered to pledge 457,143 shares of Trigyn Technologies Limited (TTL) – an associate company as collateral security to GCSPL and CFL. Prabhudas Liladhar Financial Services Limited ('PLFSL') was having an understanding in part with GCSPL and CFL which pertains to granting loan limits. Thus on request of GCSPL and CFL, the parent company pledged 457,143 shares of TTL with PLFSL by executing pledge/hypothecation forms as collateral securities for the loan facility on 23rd August 2016. After pledging of shares in favour of PLFSL, GCSPL disbursed Rs. 70 lacs on 4th October 2016 and Rs. 20 lacs on 26th October 2016. GCSPL disbursed only Rs. 90 lacs to the company as credit facility instead of Rs. 5 crores which was agreed and acknowledged between the parties. The parent company repaid Rs. 91.30 lacs i.e. Rs. 90 lacs principal plus interest to GCSPL on 30th March 2017. Inspite of the loan amount being fully repaid to GCSPL, TTL shares pledged with PLFSL were not released. PLFSL subsequently sold TTL shares as GCSPL and CFL defaulted in repayment of loan taken by them from PLFSL. The parent company approached Bombay City Civil Court for recovering the pledged shares. The Honourable City Civil Court has referred the matter for arbitration. Final notice has been issued to all the Respondents and the matter is kept for orders.

Note: 71- : Sundry Debtors -Data given below excludes outstanding for subsidiaries

a **Sundry debtors outstanding as at 31st March 2022 (more than Rs. 5 Crores) are given below :**

Name of the Party	Amount
Bharat Broadband Nigam Limited	5,645.81
Bharat Shanchar Nigam Limited*	6,364.67
Himachal Futuristic Communications Ltd	4,296.42
Government of Tamilnadu - Tsunami	715.83
Keltron - Kerala	531.25
Infotech Corp of Goa Ltd	841.82
ELCOT - Tamilnadu	1,092.56
APTS - Andhra & Telangana	998.15

*As per the terms of payment with Bharat Sanchar Nigam Limited the outstanding balance will be received in tranches circle-wise. There is no dispute in respect of these outstandings.

b The above receivable also excludes Rs. 328.41 lacs from Motorola India Limited outstanding for more than 5 years where a recovery suit has been filed.

c The confirmations of balances from major clients have not been received. The past experience of the management of the parent company is that Government parties/enterprises have not confirmed their balances.

Note: 72- Block Assessment under the Income Tax Act for assessment years 2013-14 to 2019-20

The Income Tax department had carried out search action under section 132 of the Income Tax Act, 1961 on 29/08/2018 at the parent company. Consequent to the search proceedings, notice under section 153A was issued on 26/03/2019. Subsequently notice u/s. 143 (2) was issued on 21/05/2019. Thereafter notice under section 142(1) alongwith questionnaire was issued to the company on 04/11/2020 calling for details. Show cause notice was issued to the parent company on 22/04/2021. Hearings were held on 31/05/2019, 13/11/2020 and 24/04/2021 respectively. The department completed block assessment for 7 years and passed an order u/s. 153A of the Income Tax Act, 1961 dated 16th September 2021. Barring the assessment years 2013-14, 2014-15 and 2016-17, where the department has raised demand for Rs. 39.94 lacs, Rs. 237 lacs and Rs. 8,744 respectively, there is a refund receivable by the parent company for the remaining assessment years amounting to Rs. 638 lacs. The parent company believes that the department has erred in making certain additions in the above block assessment orders. The company has filed appeal against the above orders. No date of hearing for the appeal has been fixed so far.

Note: 73- : Cases in Arbitration as at 31st March, 2022 - Data is pertaining to parent company. Details regarding subsidiaries is not avai

a	United Telecoms Ltd. Vs. Electronic Corporation of Tamil Nadu	1092 lacs	In this arbitration matter, the Honorable Arbitrator Retd. Justice Dr. P Jyothimani after perusing all the documents submitted by both parties and cross examination of witnesses passed an award on 10/03/2021 in favour of the for Rs. 1729 lacs (comprising of Rs. 90,982 as balance sum due and Rs. 1728 lacs as interest as against balance in 's books of Rs. 1092 lacs). While passing the order, arbitrator has disallowed 's claim towards withholding of LD amount of Rs. 1091 lacs, loss of reduction in quantity of Rs. 1919 lacs, loss due to rollover of LC - Rs. 53.19 lacs and loss of opportunity of Rs. 3367 lacs. ELCOT has challenged the arbitration award in the Honourable High Court of Tamil Nadu. The matter is posted for hearing in the first week of December 2022.
b	United Telecoms Ltd. Vs. Karnataka State Wide Area Network Limited	900 lacs	Arbitration award is given in favour of the parent company in the year 2016. The company has since received Rs. 450 lacs (Rs. 300 lacs in FY 2017-18 and Rs. 150 lacs in FY 2018-19). The company is awaiting reply from the arbitrators regarding the balance amount to be received by the company with interest.
c	United Telecoms Ltd. Vs. Bharat Broadband Network Limited	5686 lacs & 1748 lacs - BG invoked	Justice M. Jagannadha Rao (Rtd.) pronounced the judgement in the matter of APO2 on 6th June, 2021 in favour of the company directing BBNL to pay Rs. 71.52 crores with further interest of 6%. In respect of AP01, Justice M. Jagannadha Rao (Rtd.) has resigned in September 2021. The matter is posted for hearing on 23rd February 2023.

d	Luminous Power Technologies Pvt. Ltd. vs United Telecoms Ltd.	20.67 lacs	Arbitration award was given against the parent company by the Delhi Arbitral Tribunal. The company has filed an appeal before the Dist. Judge Tiz Hazari (New Delhi) on 25.02.2020. The respondent company has filed their reply. The matter is posted for hearing.

Status of Civil Appeals filed by the company

a	United Telecoms Ltd. Vs. Commissioner of Customs, Bangalore	289 lacs	The matter is pending before Supreme Court of India. Stay on recovery is granted on 17.11.2020

Status of other litigations

a	Chalasani Venkateshwara Rao (CVRao) and others Vs. United Telecoms Ltd. & Others		Mr. CV Rao (former Managing Director of the company) filed a petition in the year 2019 with NCLT Bengaluru bench against the parent company and others under Section 241 and 242 of the Companies Act, 2013. NCLT Bengaluru heard the matter and dismissed the petition on the ground that Mr. CV Rao made vague allegations on the affairs of the parent company rather than to establish prima facie case with acts of oppression and mismanagement. The NCLT also dismissed the case on the count that the petition did not meet the threshold criteria under Section 244 of the Companies Act, 2013. In the result, C.P. No.82/BB/2019 is hereby dismissed as devoid of any merit. I.A No.465 of 2020 and all other pending IA's, if any, also stands dismissed as infructuous. A fresh petition has been filed by C.V.Rao and others in NCLAT, Chennai. The matter is posted for hearing on 29th November 2022.
b	United Telecoms Ltd. Vs. Motorola India Pvt. Ltd.	328.41 lacs	The matter is pending before High Court of Mumbai. The matter is placed on board for direction to ascertain whether the suit is in the nature of commercial or not.

In respect of litigations filed against the parent company, the parent company expects no cash outgo.

Note: 74: Going Concern

a) **Parent Company - Going Concern Note :** As at 31st March 2022, the parent company's current liabilities do not exceed its current assets. Though the parent company's working capital borrowings have been declared as NPA by 3 out of 5 banks mainly on account of devolvement of LCs and invoking of bank guarantees, the parent company has managed to meet its trade liabilities. The management of the parent company is exploring several options to raise long term funds which will help them to prevent disruption of its business operations. The parent company has received favorable awards in 2 arbitration matters amounting to around Rs. 90 crores. The parties being Government entities have preferred to go on appeal at the higher forum and immediate cashflow on account of the awards is not expected. The parent ompany's existing projects are contributing to the day-to-day operations and the parent company is vigorously following for recovery of its trade receivables so that the cash flow situation will improve. The parent company has not incurred losses during past few years it does have any accumulated losses. In view of what is stated above, the management of the parent company has prepared the financials on a going concern basis.

b) **UTL Technologies Limited - Going Concern Note** : The company's carried forward losses as at 31st March 2022 amounted to Rs. 1,289.17 lacs which has completely eroded the entire share capital of the company. The company has been incurring losses since FY 2017-18. The revenues have dipped considerably. The current liabilities of the company exceed the current assets by Rs. 823.34 lacs. The company is empanelled with National Skill Development Council and the company's core business is providing industry relevant training solutions. Last 4 years the revenue from operations could not meet fully the expenses related to the training. The Board of Directors of the Company is considering various options to make its business viable in future and once these proposals are fully implemented the management is hopeful of making good the accumulated losses. United Telecoms Limited (the Holding Company) has 98.86% shareholding of the company and the Holding company is fully supporting the subsidiary in meeting its expenses. Due to this support, the company is financially stable and expects to continue its business in the foreseeable future. In view of the above, the accounts of the company have been prepared on a going concern basis.

c) **UTL ERP Solutions Limited - Going Concern Note** : The Company has not carried out any business activity during the year. The company has incurred
loss of Rs. 0.50 lakhs during the year and the accumulated losses as at 31st March 2022 stood at Rs. 28.78 lakhs as against paid up share capital of Rs. 20 lakhs. As at 31st March 2022, the current liabilities exceeded current assets by Rs. 8.28 lakhs. As there are no plans of reviving the business model, the prevailing conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to pay the liabilities and continue as a going concern.

d) **UTL Wireless Technologies Limited - Going Concern Note :** The Company had not carried out any business activity during the year. The company has incurred loss of Rs. 0.59 lakhs during the year and the accumulated losses as at 31st March 2022 stood at Rs. 78.37 lakhs as against paid up share capital of Rs. 73.34 lakhs. As at 31st March 2022, the current liabilities exceeded current assets. Though the management has considered receivables from Motorola India as good, the matter is under dispute and may or may not be fully realizable. As there are no plans of reviving the business model, the prevailing conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Note: 75 Bank confirmation in UTL Technologies Ltd.

The company could not obtain balance confirmation in respect of two inoperative bank accounts amounting to Rs. 0.73 lakhs. Hence external confirmation as required under SA-505, Standards on Auditing were not available for the verification of the statutory auditor. Therefore the auditor is unable to comment on the correctness of the amount and other disclosures relating to the bank balance made in the financial statement.

Note: 76 Public deposit: :

The Group has not accepted any deposit within the meaning of Sections 73 to 76 of Companies Act 2013 and the rules framed there under. The Auditors has relied upon management representation in this regard.

Note: 77:- : Contingent Liabilities

The Group has disclosed Contingent Liabilities in the notes above from available information. The management of the respective companies has reviewed all the pending litigations and is of the opinion that no further provision is required impacting the financial position of the Group.

Note: 78- Long term contracts and derivatives contract :

The Management of the respective companies has reviewed all the long-term contract as on 31st March, 2021 and confirmed there is no foreseeable loss requiring provisions in the accounts. The Group has not entered into derivative contracts during the year ending 31st March 2021.

Note: 79- Investor Education and Protection Fund :

During the year there is no amount required to be transferred to Investor Education and Protection Fund by the Group.

Note: 80- Note regarding New Era Power Corporation Limited (a subsidiary company)

New Era Power Corporation Limited power generation project was conceived in the F.Y. 2007-08 at Tuticorin has become a non-starter mainly on account of non-clearance by pollution board. In spite of best efforts from the Company, there is no development in the implementation of the project over the years. The revised estimate of implementation of the project has more than doubled. Also, the revised cost of unit of production is higher as compared to the present market rate per unit of electricity. Further, competition from solar power and wind energy where cost of production per unit is much lower, the project has become not viable. The management is considering alternate business model and is considering consulting experts in this regard.

In view of the above, the old advances made against orders placed with vendors for equipment's and other items amounting to Rs. 10,748.99 lacs have become infructuous expenditure and recovery of advances is very difficult. The management of New Era Power Corporation Limited is making efforts to salvage whatever is possible so that the loss is minimized. In view of the above, no provision for loss is made in the current year's accounts as the same is not quantifiable at this stage.

The company's power generation project in the current scenario has been found not viable proposition for reasons stated above which eventually will lead to erosion of net worth of the Company. The Company is a subsidiary of United Telecoms Limited and the Company is having land bank of 476 acres at Tuticorin.

Note: 81- Previous year figures:

a The previous year figures have been reclassified to conform to this year's classification wherever required.

b The figures in brackets represent those of the previous year.

For P. B. SHETTY & CO.	**For and on behalf of Board of Directors**	
Chartered Accountants		
ICAI FR No.110102W		
S/D	S/D	S/D
	Mr. Venkateswaralu Mungala	**Dr. P Padmavathi**
Brijesh Shetty	Director	Whole Time Director
Partner	DIN : 02511158	DIN : 00155153
Membership No. 131490		
UDIN No : 22131490BEQCFN2254		
	S/D	S/D
Place : Mumbai	**Payal Kumari**	**R M Nagesh**
Date : 1st December, 2022	Company Secretary	Chief Financial Officer
	Membership No. A68084	PAN : ADXPR3731P
	Bengaluru, Dated: 1st December, 2022	

Annexure 1	
Additional Regulatory Information as required under clause (L) in Part I, Division II of Schedule III of the Companies Act, 2013 :	
(i)	The Title Deeds of all the immovable properties are held/registered in the name of the respective group companies. The parent company is in the process of registering lands situated at Tiruvanamalai, Vizipura in Bengaluru and KIADB land at Hoskote, Bengaluru amounting to Rs. 2012.28 lacs. There is delay in getting the same done mostly on account of several cumbersome compliances and registration formalities that needs to be complied with. In the case of KIADB land at Hoskote, the parent company has received allotment letter and only registration formalities are pending. The period of holding for both Tiruvanamalai and Vizipura land parcels is 7 years and the period of holding for KIADB land at Hoskote is 8 years.
(ii)	The Group has not revalued its Investment Property from any registered valuer as defined under rule 2 of Companies(Registered Valuers and Valuation) Rules, 2017, during the year.
(iii)	The Group has not revalued its Property, Plant and Equipment (including Right-of- Use Assets) from any registered valuer as defined under rule 2 of Companies(Registered Valuers and Valuation) Rules, 2017, during the year.
(iv)	The Group has not revalued its intangible assets from any registered valuer as defined under rule 2 of Companies(Registered Valuers and Valuation) Rules, 2017, during the year.
(v)	Details regarding loans and advances granted to promoters, directors, KMPs and the related parties are given in Annexure 3
(vi)	The parent Company does not have any Capital-Work-in-progress or Intangible under development during the year and accordingly, disclosure of ageing is not made. One of the group companies have Capital work in Progress of Rs. 48.78 lacs which is been carried forward since March 2020.
(vii)	The Group does not have any Intangible assets under development during the year and accordingly, disclosure of ageing is not made.
(viii)	There are no Benami Properties held by the Group and there are no proceedings that have been initiated or pending against the Comapny for holding any Benami Properties under the Benami Transactions (Prohibiton) Act, 1988 (45 of 1988) and the rules made therunder.
(ix)	The parent Company has borrowed loans from the banks on the basis of security of current assets and the quarterly returns or statements of current assets filed by the company are in agreement with the books of accounts.
(x)	The Group has not been declared as wilful defaulter as defined by RBI Circular by any bank or financial Institution or other lenders.
(xi)	One of the subsidiaries of the company namely UTL Telecom E-Services Pvt. Ltd. has been struck off by Registrar of Companies u/s. 560 as defunct company. The parent company has received advance of Rs. 176.77 lacs which is outstanding as on 31st March 2022.
(xii)	The parent Company has availed loan from the banks and charges related details have been furnished to the ROC in time.
(xiii)	The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
(xiv)	The required ratios are disclosed seperately vide Annexure 2
(xv)	The Group has not entered into any scheme of arrangement during the year.
(xvi)	Utilisation of Borrowed funds and share premium: (i) The Group has not utilised any borrowed funds or share premium funds or any other sources or kind of funds to provide advances/loans/investments to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries and hence the disclosure requirements under this clause are not made.
	(ii) No funds have been received by the Group from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries and hence the disclosure requirements under this clause are not made.

Annexure 2 - Ratios to Point (xiv) of Annexure 1 of Notes to Financial Statements											
Sl No	Particulars	Numerator	Denominator	Numerator	Denominator	As at 31st March, 2022	Numerator	Denominator	As at 31st March, 2021	Change	Disclosure of Reasons for Change in the ratios by more than 25%
1	Current Ratio	Current Assets	Current Liabilities	1,85,691.33	13,477.65	13.78	52,715.37	26,944.56	1.96	604%	There is significant reduction in both trade receivables and trade payables
2	Debt -Equity Ratio	Debt= long term borrowing	Equity= Equity capital + Reserve and Surplus	24,974.03	1,44,695.98	0.17	26,170.77	1,43,240.79	0.18	-6%	
3	Debt Service Coverage Ratio	Net Profit before Interest, Taxes, Depreciation and Amortization (EBITDA)	Debt Service = Interest & Lease Payments + Principal Repayment dues for the year	5,997.82	3,394.31	1.77	6,089.95	2,554.49	2.38	-26%	Major change in DSCR is on account of repayment of certain borrowings during the year.
4	Return on Equity Ratio	Net profit after taxes-Preference Dividend, if any	Average shareholders' Equity	2,889.04	1,44,695.98	0.02	2,188.09	1,43,240.79	1.53%	31%	Increase is on account of increase in net profit of the associate companies
5	Inventory Turnover Ratio (Number of times)	Cost of Goods Sold	Average Inventory= [(Opening Inventory + Closing Inventory) /2]	562.42	8,759.80	0.06	7,343.09	8,846.22	0.83	-92%	Inventory ratio has been impacted largely on account of reduction in inventory due to decline in manufacturing activity
6	Trade Receivable Turnover Ratio (Number of times)	Total Net Sales	Average Trade receivables = [(Opening Receivables + Closing Receivables) /2]	9,504.44	28,925.41	0.33	17,999.18	29,260.45	0.62	-47%	The change in trade receivable turnover ratio is on account of reduction in the trade receivables
7	Trade Payable Turnover Ratio (Number of times)	Total Net Purchases	Average Trade Payables= [(Opening Payables + Closing Payables) /2]	660.13	9,579.55	0.07	7,402.79	16,937.03	0.44	-84%	The change in trade payable turnover ratio is on account of reduction in the trade payables
8	Net Capital Turnover Ratio (Number of times)	Total Net Sales	Average Working Capital= [(Opening Working Capital+Closing Working Capital)/2]	9,504.44	26,356.54	0.36	17,999.18	81,455.57	0.22	63%	Change is mainly on account of reduction in averge working capital
9	Net Profit Ratio	Net Profit after tax	Total Net Sales	2,889.04	9,504.44	0.30	2,188.09	17,999.18	0.12	150%	Increase is on account of increase in net profit of the associate companies
10	Return on Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability-Deferred Tax Asset	5,238.59	1,62,802.46	0.03	4,818.06	1,62,597.74	0.03	9%	
11	Return on Investment	Net income from Investment	Net Investment	59.82	64,480.35	0.00	140.00	61,137.26	0.00	-	

Note: The data and the relevant computed Ratios are considered as per the Guidance Note on Division II- Ind AS Schedule III to the Companies Act, 2013 (as Revised January 2022 edition) isuued by ICAI

Annexure 3 - Details of Loans and advances granted by the parent company - Point (V) of Annexure 1 of Notes to Financial Statements

Sl No	Type of Borrower	Name of the Borrower	Amount of Loan or Advances outstanding as at 31.03.2022	% of total Loans and Advances
			Amount in Rs. Lacs	
1	Related Party	NSP Electronics Ltd	635.51	27.64
2	Related Party	Promuk Hoffmaan International Limited	285.91	12.43
3	Related Party	Teleworld United Pvt Ltd	194.86	8.47
4	Related Party	Andhra Networks Ltd	296.56	12.90
5	Related Party	United Wireless Technology Ltd.	5.61	0.24
6	Related Party	New Era Power Corporation Ltd	15.18	0.66
7	Related Party	UTL Technologies Ltd	506.34	22.02
8	Related Party	Gujarat Online Limited	3.04	0.13
9	Related Party	Itasca Software Developments Pvt Ltd	15.67	0.68
10	Related Party	United Surya Energy Pvt Ltd	326.06	14.18
11	Related Party	United ERP Solutions Ltd.	7.75	0.34
12	Related Party	United Power and Steels Alloys Limited	7.07	0.31
			2,299.56	

8(a); - Trade Receivables ageing schedule

Rs in Lakhs

Ageing of Trade Receivables as on 31-03-2022						
Particulars	**Outstanding for following periods from due date of Receipts**					
	Less than 6 months	**6 months - 1 year**	**1-2 years years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade Receivables – considered good	1,963.53	123.84	2,030.07	5,214.37	8,475.55	17,807.37
(ii) Undisputed Trade Receivables –Which have significant increase in Credit Risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	5,974.22	5,974.22
(v) Disputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables –Credit Impaired	-	-	-	-	-	-
TOTAL	1,963.53	123.84	2,030.07	5,214.37	14,449.77	23,781.59

Rs in Lakhs

Ageing of Trade Receivables as on 31-03-2021						
	Outstanding for following periods from due date of Receipts					
Particulars	Less than 6	6 months - 1	1-2 yearsyea	**2-3years**	**More than3**	Total
(i) Undisputed Trade Receivables	5,423.82	7,223.34	5,246.94	764.11	9,436.81	28,095.01
(ii) Undisputed Trade Receivables -	-	-	-	-	-	-
(iii) Undisputed Trade Receivables	-	-	-	-	-	-
(iv) Disputed Trade Receivables–co	-	-	-	-	5,974.22	5,974.22
(v) Disputed Trade Receivables –w	-	-	-	-	-	-
(vi) Disputed Trade Receivables –C	-	-	-	-	-	-
TOTAL	5,423.82	7,223.34	5,246.94	764.11	15,411.03	34,069.23

20(a);- Trade Payables ageing schedule

Rs. In Lakhs

Trade Payables ageing schedule as on 31-03-2022

Particulars	Outstanding for following periods from due date of Payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	71.28	-	-	-	71.28
(ii) Others	2,397.48	900.90	154.93	1,095.96	4,549.27
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
TOTAL	2,397.48	900.90	154.93	1,095.96	4,620.55

Rs. In Lakhs

Trade Payables ageing schedule as on 31-03-2021

Particulars	Outstanding for following periods from due date of Payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	167.68	-	-		167.68
(ii) Others	10,771.93	1,955.19	-	1,643.74	14,370.86
(iii) Disputed dues – MSME	-	-	-	-	-
(iv)Disputed dues - Others	-	-	-	-	-
TOTAL	10,939.61	1,955.19	-	1,643.74	14,538.54

UNITED TELECOMS LIMITED
Notes to Consolidated Financial Statements for the year ended 31st March, 2022

Significant Accounting Policies on Consolidated Financial Statements for year ended March 31, 2022

1. The corporate overview

United Telecoms Limited ('UTL' or 'the company' or 'the Parent Company') is a public company domiciled in India and incorporated under the provisions of Indian Companies Act. The company's registered office is at 18a/19.Doddanekundi Industrial , Area, Mahadevapura Post, Whitefield, Bangalore Karnataka 560048

UTL is the holding company of UTL Group of Companies.

The company is engaged in the business of **Manufacturing** of telecom switching, transmission equipment and terminal products; **Trading** in telecom & networking equipment, Mobile equipments, lap tops and solar products; **E-governance and Other Services** of providing Wide Area Network services, GSM Services, annual maintenance service of telecom equipment; **Real Estate i.e** Rental and Maintenance of building; and **Power Generation –** Solar Power

The Company caters to both domestic and international markets through network of its subsidiaries and associates in India and abroad. These are the company's consolidated financial statements.

Details of entities in Consolidation

The following subsidiaries and associate companies have been directly considered in the preparation of the Consolidated Financial Statements of the Company :

Sr. No.	Name of the Enterprise	Holding Interest	Proportion of ownership Interest
1	UTL Technologies Ltd	Subsidiary	98.86%
2	United Surya Energy Ltd	Subsidiary	97.45%
3	NSP Electronics Ltd	Subsidiary	75.84%
4	United Wireless Technology Ltd	Subsidiary	93.13%
5	New Era Power Corporation Ltd	Subsidiary	55.08%
6	United Sustainable Energy India Pvt Ltd	Subsidiary	73.75%
7	Teleworld United Pvt Ltd#	Subsidiary	99.64%
8	United Telecom E-services Pvt Ltd #	Subsidiary	96.55%
9	Gujarat Online Ltd*	Associate	14.29%
10	Priyaraj Electronics Ltd	Associate	30.55%
11	Andhra Networks Ltd	Associate	48.70%
12	ITASCA Software Development Pvt Ltd*	Associate	9.58%
13	United Power & Steel Alloys Ltd	Associate	36.37%
14	Trigyn Technologies Ltd	Associate	44.51%
15	United ERP Solutions Limited	Associate	37.50%

*The Enterprises with less than 20% ownership interest is considered as associate on basis of Composition of Board.

The Company has eight subsidiaries and seven associates as at 31st March 2022.

We has not received any information nor have we been provided provisional accounts by the management/Board of United Telecom E-services Pvt Ltd and Teleworld United Pvt Ltd. We have consolidated these companies using the last available audited figures.

a).The audited financials of the following subsidiaries/associates for the year ended 31st March, 2022 were available for consolidation and have been consolidated fully in the financials:

a. UTL Technologies Ltd
b. NSP Electronics Ltd
c. Gujarat Online Ltd
d. United Wireless Technology Ltd
e. United ERP Solution Limited
f. United Power & Steel Alloys Ltd
g. New Era Power Corporation Ltd
h. ITASCA Software Development Pvt Ltd
i. TRIGYN TECHNOLOGIES LTD

b). In the case of following subsidiaries/associates audited financials were not available for the year ended 31st March, 2022. The management has considered only assets and liabilities from the latest available financials and in the absence of Management Certified Accounts/profit and loss account due to closure of business/unavailability of data, income and expenses have not been considered for the purpose of consolidation.

A. Andhra Networks Ltd
B. United Telecom E-services Pvt Ltd
C. Teleworld United Pvt Ltd
D. United Sustainable Energy India Pvt Ltd
E. Priyaraj Electronics Ltd
F. United Surya Energy Ltd

Significant Accounting Policies

The following are the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

i) Compliance with Ind AS

The Consolidated financial statements of the group are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] as amended and other relevant provisions of the Act.

These financial statements are authorised for issue by the Board of Directors on 1st December, 2022.

ii) Basis of measurement

The financial statements have been prepared on going concern basis using historical cost conventions, except for the following items, which are measured on an alternative basis on each reporting date:

Items	Measurement basis

Derivative financial instruments at fair value through profit or loss	Fair value
Certain non-derivative financial instruments at fair value through profit or loss	Fair value
Equity-settled share based payment transactions	Grant date fair value
Defined benefit plan assets	Fair value

1.2 Principles of Consolidated Financial Statements

The consolidated financial statements relate to United Telecoms Limited ('the Company') and its subsidiary companies, associates and joint ventures. The consolidated financial statements have been prepared on the following basis:

i) In respect of Subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealized profits / losses on intra-group transactions. The results of subsidiaries are included from the date of acquisition of a controlling interest.

ii) The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.

iii) The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the consolidated Profit and Loss Statement being the profit or loss on disposal of investment in subsidiary.

iv) In case of foreign subsidiaries, being Non-Integral Foreign Operations, revenue items are consolidated at the average rate prevailing during the year. All asset and liabilities are converted at the rate prevailing at the end of the year, except Equity Share Capital, Share premium, Capital Reserve and Fixed Assets which have been carried at Historical rate. The resultant translation gains and losses are shown separately as 'Foreign Currency Translation Reserve' under 'Reserves and Surplus.

v) Non-controlling interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

vi) Non-controlling interests (NCI) in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively. NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

vii) When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

viii) Investment in Associate Companies has been accounted under the equity method as per Indian Accounting Standard (Ind AS) 28 - "Accounting for Investments in Associates". The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealized profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Profit and Loss Statement, to the extent such change is attributable to the associates Profit and

Loss Statement and through its reserves for the balance based on available information.

ix) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements. Though some of the subsidiary companies follows WDV method of depreciation for providing depreciation, no adjustment has been made while preparing the accounts as the amount involved are not material.

x) Investments other than in subsidiaries and associates have been accounted as per Indian Accounting Standards (Ind AS) 40/109/107/113 dealing with "Accounting, recognition, measurement and disclosure for Investments".

xi) Business Combination:

Business combinations (other than common control business combinations) on or after 1 April 2015

As part of its transition to Ind AS, the group has elected to apply the relevant Ind AS, viz, Ind AS 103, business combinations, to only those business combinations that occurred on or after 1st April 2015. In accordance with Ind AS 103, the group accounts for these business combinations using the acquisition method when control is transferred to the group. The consideration transferred for the business combination is generally measured at fair value as at the date control is acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in other comprehensive income (OCI) and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve.

Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations prior to 1st April 2015:
In respect of such business combinations, goodwill represents the amount recognised under the Group's previous accounting framework under Indian GAAP adjusted for the reclassification of certain intangibles.

2.3 Functional and presentation currency

All amounts included in the financial statements are reported in Indian rupees in lakhs and has been rounded to nearest lakhs with two decimal places except per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

2.4 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities and disclosure of the contingent liabilities at the end of each reporting period. Actual amount may differ from these estimates.

Detailed information about each of these estimates and judgements is included in relevant notes.
The areas involving critical estimates and judgements are:

- Estimation of current tax expense and payable including amount expected to be paid/ recovered for uncertain tax position.
- Estimation of defined benefit obligation.
- Recognition of revenue.
- Recognition of deferred tax assets for carried forward tax losses.
- Impairment of trade receivables.
- Valuation of Financial Instrument.
- Useful life of property plant and equipment and Intangible assets Provision and Contingencies.

Estimation and underlying assumptions are reviewed on ongoing basis. Revisions to estimates are recognised prospectively.

2.5 Current versus non-current classification

The company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset /liability are current when it is:

- Expected to be realised/settled or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised / settled within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other assets/ liabilities are classified as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.6 Property, plant and equipment (PP&E).

- **Recognition and measurement**

  Items of PP&E are measured at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. Capital work in progress is carried at cost and capitalised when the asset is ready to be put to use. Borrowing costs relating to acquisition /construction / development of tangible assets and Capital Work in Progress which takes substantial period to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

  When significant components of PP&E are required to be replaced at intervals, recognition is made for such replacement of components as individual assets with specific useful life and depreciation if these components are initially recognized as separate asset. All other repair and maintenance costs are recognised in profit or loss as incurred.

- **Subsequent costs**

  The cost of replacing a part of an item of PP&E is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of PP&E are recognised in the statement of profit and loss as incurred.

- **Disposal**
  Gains and losses on disposal are determined by comparing the proceeds with the carrying amount. These are recognised as income/ expenses in the statement of profit and loss.

- **Depreciation**
  Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value except for the projects viz GBBN, Jharnet, kerala swan and Karnataka Swan which are following under Written down Value (WDV).The above Projects WDV of the assets are Nil. In case of Driving license project in the state of Maharashtra, additions to building is depreciated over the contract period with the government of Maharashtra. Depreciation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of PP&E as prescribed in Schedule II of the Companies Act, 2013, as assessed by the management of the company based on technical evaluation except for the above mentioned projects.

  Depreciation is provided pro-rata for the number of months available for use. Depreciation on sale/ disposal of assets is provided pro-rata up to the end of month of sale/ disposal.

  The PP&E acquired under hire purchase is depreciated over the shorter of the hire purchase term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the hire purchase term in which case assets are depreciated on the basis of estimated useful life.

2.7 Intangible assets

- **Recognition and measurement**
  Intangible assets are recognised when the asset is identifiable, is within the control of the company, it is probable that the future economic benefits that are attributable to the asset will flow to the company and cost of the asset can be reliably measured.

  Intangible assets acquired by the company that have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Cost comprises of the acquisition price, development cost and any other attributable/allocable incidental cost of bringing the asset to its working condition for its intended use.

- **Subsequent measurement**
  Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

- **Amortisation**
  i) Intangible assets with finite lives are amortized over their estimated useful economic life and assessed for impairment wherever there is an indication that the intangible assets may be impaired.
  ii) Intangible assets with infinite lives are tested for impairment at least annually, and where there is an indication that the assets may be impaired.
  iii) Application software capitalised as Intangible Asset is normally amortized over their estimated useful economic life or before if it become obsolete, whichever is earlier.

- **Disposal**
  Gain or losses arising from derecognition of an intangible assets are recognized in statement of Profit and Loss when the assets is derecognized.

2.8 Impairment of non-financial assets

The company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal or its value in use. Where 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.

Impairment losses are recognised in the statement of profit and loss.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.9 Inventories

Raw materials are valued at cost or net realisable value and Stock of Traded goods & work in progress including WIP- unbilled services are valued at lower of cost or net realisable value. The cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. The stores and spares are charged off to revenue on purchases, as per consistent practice as quantities and values on hand are not material. Cost in case of work in progress is inclusive of materials cost and appropriate production overheads.

WIP – unbilled services on time contracts are computed at cost as a proportion of work performed from end of the last billing to the balance sheet date and is recognized.

WIP – on Construction are valued at lower of cost or net realisable value. The cost for this purpose is calculated under percentage of completion contract method.

Costs of Traded goods are valued at purchase cost.

2.10 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents

2.11 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets and disposal groups classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

2.12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

- **Sale of goods and rendering of services**

  Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

  Revenue from property development activity which are in substance similar to delivery of goods is recognised when all significant risks and rewards of ownership in the land and/or building are transferred to the customer and a reasonable expectation of collection of the sale consideration from the customer exists.

  Revenue from property development activity in the nature of a construction contract is recognised based on the 'Percentage of completion method' (POC) . Expected loss, if any, on the project is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

  Rendering of services
  Revenue from rendering services is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

  1. the amount of revenue can be measured reliably;
  2. it is probable that the economic benefits associated with the transaction will flow to the company;
  3. the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
  4. the costs incurred or to be incurred in respect of the transaction can be measured reliably.
  5. Stage of completion is determined by the proportion of actual costs incurred to-date, to the estimated total costs of the transaction

  Unbilled receivables represent costs incurred and revenues recognised on contracts, to be billed in subsequent periods as per the terms of the contract.

  Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

  Advance payments received from customers for whom no services have been rendered are presented as 'Advance from customers'.

2.13 Other income

- **Interest income**

  Interest income is recognised using effective interest rate method (EIR).

- **Dividend Income**

  Dividends are recognised in the statement of profit and loss only when the right to receive the payment is established.

- **Other**

  Revenue is recognised only when it is reasonably certain that the ultimate collection will be made.

- **Exceptional items**

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the company is treated as an exceptional item and the same is disclosed in the notes to accounts.

2.14 Foreign currency transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting date are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

2.15 Employee benefits

- **Short-term employee benefits**
  Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised in the period in which the employee renders the related service. Retention bonus is accounted on actual payment basis.

- **Post-employment benefits**

Defined contribution plans
Contributions to the provident fund, Family Pension Fund and Employee State Insurance which are defined contribution schemes, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due.

Defined benefit plans
The employees' gratuity scheme is a defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on an independent actuarial valuation using the projected unit credit method, carried out as at balance sheet date. The obligation determined as afore said less the fair value of the Plan assets is reported as a liability or assets as of the reporting date. Actuarial gain or losses are recognised immediately in the Other Comprehensive Income and reflected in retained earnings and will not to be reclassified to the statement of profit and loss.

Other long-term employee benefits
The liabilities for earned leave are not expected to be settled wholly within twelve months after the end of the reporting period in which the employee render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by an independent actuarial valuation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss.

Termination benefits
Termination benefits are expensed at the earlier of when the company can no longer withdraw the offer of those benefits and when the company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.16 Leases

Operating Leases
Leases where the lessor effectively retains substantially all the risks and rewards of the ownership are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

Finance Leases
Leases under which the Company (as a lessee) substantially assumes all the risks and rewards of ownership are classified as finance lease. Assets taken on such finance leases are capitalized at the commencement of the lease term at the fair value of the leased item or, if lower, at the present value of the minimum lease payments.

Leases under which the Company (as a lessee) substantially assumes all the risks and rewards of ownership are classified as finance lease. Assets taken on such finance leases are capitalized at the commencement of the lease term at the fair value of the leased item or, if lower, at the present value of the minimum lease payments. Such lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

2.17 Research and Development Cost

a. Revenue Expenditure on research and development is charged to the Profit and loss account of the year in which it is incurred.
b. Capital expenditure on research and development is given the same treatment as fixed Assets.

2.18 Product Warranty

Provision for product warranty is made on estimated basis taking into account past experience.

2.19 Liquidated Damages

The liquidated damages are recognised and provided in cases where claims are made on the company and to the extent the management estimates it is likely to materialise. The balance is shown as contingent liability, if any.

2.20 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

2.21 Income tax

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

- **Current tax**

  Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and liabilities are offset only if there is a legally

enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.
Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period. The company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

- **Deferred tax**

Deferred tax is provided using the balance sheet method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductable temporary differences can be utilised. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax is recognised to statement of profit and loss, except to the items that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

2.22 Provisions and contingencies

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost in the statement of profit and loss.

Contingent liability is disclosed in case of

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.
- present obligation arising from past events, when no reliable estimate is possible
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

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

2.23 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit or loss for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted EPS adjust the figures used in the determination of basic EPS to consider

- The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.24 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers 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.

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.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.25 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss);
- those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or OCI. For investments in debt instruments, this will depend on the business model in which investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for equity investment at fair value through OCI.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

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. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Equity investments

All equity investments in the scope of 'Ind AS 109 - Financial instruments' are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to recognise subsequent changes in the fair value in OCI. 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 OCI. There is no recycling of the amounts from OCI to the statement of profit and loss, even on sale of equity instrument.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial assets
The company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by 'Ind AS 109 - Financial instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Non-derivative financial liabilities

Recognition
The company initially recognises borrowings, trade payables and related financial liabilities on the date on which they are originated.

All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the company becomes a party to the contractual provisions of the instrument.

Measurement
Non-derivative financial liabilities are initially recognised at fair value, net of transaction costs incurred. Subsequent to initial recognition, these liabilities are measured at amortised cost using EIR method.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Financial guarantee contracts
Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with 'Ind AS 37 - Provisions, contingent liabilities and contingent assets' and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.26 Government grant

Government grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are initially recognised as deferred income at fair value and subsequently recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

2.27 Investment in subsidiaries and associates

Investment in subsidiaries is valued at cost. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable value and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

2.28 Equity , Reserves and Dividend

Share capital represents the nominal value of shares that have been issued. Share premium includes any premium received on issue of share capital. Any transaction costs associated with issuing of shares are deducted from share premium account, net of any related income tax benefits.

Other components of equity include the following:

- Securities Premium Reserve
- General Reserve
- Capital Redemption Reserve
- Debenture Redemption Reserve
- FVTOCI Reserve
- Capital Reserve
- Retained Earnings
- Money received against Share Warrants
- Re-measurement of defined benefit liability through retained earning

Retained earnings include all current and prior period retained profits. All transactions with owners of the company in the nature of equity are recorded separately within equity.
Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date

2.29 Derivative financial instruments

Initial recognition and subsequent measurement
The Company uses derivative financial instruments, (forward currency contracts and interest rate swap) to hedge its foreign currency risks and interest rate risk.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

2.30 Recent accounting pronouncements

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. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:
• Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
• Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
• Specified format for disclosure of shareholding of promoters.
• Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
• If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
• Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:
• Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.
The amendments are extensive and the Company will evaluate the same to give effect to them as required by law