Nelson Mandela Road,Vasant Kunj,Phase-II
New Delhi-110070, India
CIN-U72200DL2013PLC 254747
Telephone No 011-40567410
Email Address ncare@nxtradata.com
Website Address www.nxtradata.com

nxtra data

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the Sixth (6th) Board Report on the Company's business and operations, together with audited financial statements and accounts for the financial year ended March 31, 2019.

Business review

Nxtra Data Limited is currently running 10 data centre (DC) at key location of India of Noida, Chennai, Pune, Bangalore, Manesar, Bhuvneshwar and Mumbai and serving around 300 customers. The year FY19 has seen a lot of key milestones being achieved. The company has successfully constructed one of its biggest Data Centre in Pune SEZ zone and it will soon be handed over for commissioning and operation to the anchor tenant. The financial year 2019 also witnessed transfer of business related to passive infrastructure of around 120 core MSC sites of Bharti Airtel Limited to Nxtra Data Limited

The Data Center business in India has a very healthy outlook as the country is expected to become a regional player for data center, with increased connectivity (Global Network and Domestic Network), cost efficiency in power, large expanse of land availability and skilled manpower. Further, due to huge data surge and Government regulations on localization of data within India, will force OTTs / Content providers/ BFSI to host data in India. This requires few '000s MW of power and large amount of space, which otherwise was being served from other parts of the globe.

Looking at the immense growth potential of Data Center (DC) business in India, Nxtra has recently constructed its largest DC in Pune and in the next 2-4 years few more DC are being planned in key locations of Chennai, Mumbai & Kolkata. The existing DC's and MSC are also being expanded to cater to increasing capacity due to data demand in the market.

Financial results

The financial highlights of the Company's operations are as follows:

(In Rupees Million)

Particulars	FY 2018-19	FY 2017-18
Income including Other Income	8,548	3378
Profit/(Loss) before Finance Expenses, Depreciation & Amortisation and Taxation	2,031	984
Finance Expenses (Net)	(2)	(1)
Depreciation & Amortisation expense	1242	568
Profit/(Loss) before Tax	791	417
Tax Expenses (current tax & deferred tax)	316	130
Net Profit/(Loss) after Tax	475	238

Material changes and commitments

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year i.e. March 31, 2019 and the date of the Board's Report i.e. August 22, 2019. .

Share capital

During the year, there has been no change in the share capital of the Company. The Authorised Share Capital of the Company continues to stand at Rs. 10,00,00,000/- divided into 1,00,00,000 Equity Shares of Rs. 10/- each and the issued, subscribed and paid-up share capital of the Company continues to stand at Rs. 9,01,78,570/- divided into 9,017,857 equity shares of Rs. 10/- each.

Transfer to reserves

The Company has not transferred any amount to reserves for the financial year ended March 31, 2019.

Secretarial Standards

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Companies Secretaries of India.

Dividend

The Board of Directors of the Company do not recommend any dividend for the financial year 2018-19.

Transfer of amount to Investor Education and Protection Fund

Since no dividend was declared in previous years, there is no unpaid dividend and hence, no unclaimed dividend is due for transfer to Investor Education and Protection Fund.

Deposits

The Company has not accepted any deposits and as such, no amount of principal or interest was outstanding, as on the balance sheet date.

Subsidiary / Joint Venture / Associate Companies

As on March 31, 2019, your Company has two associate(s) namely Aban Green Power Private Limited and Greenergy Wind Corporation Private Limited.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts of Companies) Rules, 2014, a statement containing salient features of financial statements including details of Aban Green Power Private Limited and Greenergy Wind Corporation Private Limited in form AOC-1 is annexed as **Annexure – A** to this report.

Directors and Key Managerial Personnel

Appointment / Resignations from the Board

The following appointment and resignation of Directors and Key Managerial Personnel(s) happened during the year 2018-19

S. No.	Name of the Directors	Designation	Effective Date of Appointment / Cessation
1.	Shefali Malhotra	Additional director	Appointed w.e.f. May 26, 2018
2.	Gautam Anand	Additional director	Appointed w.e.f. September 17, 2018
3.	Srikanth Balachandran	Director	Resigned w.e.f. September 17, 2018
4.	Vivek Patni	Company Secretary	Appointed w.e.f. May 26, 2018 and resigned on September 20, 2018
5.	Manish Bhutoria	Chief Financial Officer	Resigned w.e.f. September 16, 2018
6.	Durgesh Pandey	Chief Financial Officer	Appointed w.e.f. September 17, 2018
7.	Dhiraj Aroraa	Company Secretary	Appointed w.e.f. November 15, 2018

In terms of Section 152 of the Companies Act, 2013, Badal Bagri, Director being longest in the office shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

Declaration by Independent Directors

The Ministry of Corporate Affairs (MCA) vide its notification dated July 5, 2017 has exempted inter-alia, wholly owned subsidiaries from the requirement of appointing Independent Directors on the Board. The Company, Nxtra Data Limited is a wholly owned subsidiary of Bharti Airtel Limited and thus the Company is not required to appoint independent director on its Board.

Number of board meetings held during the financial year 2018-19:-

During the financial year 2018-19, the Board met 7 (seven) times i.e. on April 30, 2018, May 26, 2018, June 08, 2018, July 26, 2018, September 17, 2018, November 12, 2018 and February 25, 2019. The period between any two consecutive board meetings of the Company was not more than 120 days.

The Composition and the attendance of the members of the Board at the meetings held during FY 2018-19, are given below:

Name of Director	Director Identification Number (DIN)	Category	No. of Board Meetings attended (total held)
Badal Bagri	00367278	Director	7(7)
Gautam Anand[1]	08223436	Additional Director	2(2)
Srikanth Balachandran[2]	02815932	Director	3(5)
Pankaj Tewari	08006533	Director	7(7)
Shefali Malhotra[3]	07143784	Women Director	5(5)

[1] Gautam Anand was appointed as an Additional Director w.e.f. September 17, 2018
[2] Srikanth Balachandran resigned from the position of Director w.e.f. September 17, 2018
[3] Shefali Malhotra was appointed as Women Director as on May 26, 2018

Committees of the Board:

Corporate Social Responsibility (CSR) Committee

During the financial year 2018-19, the CSR Committee was constituted by the Board on February 25, 2019 and subsequently the Committee had its first meeting on the same day.

The Composition and the attendance of the members of the Committee at the meetings held during FY 2018-19, are given below:

Name of Director	Category	No. of Committee Meetings attended (total held during the tenure)
Badal Bagri--Chairman	Director	1(1)
Pankaj Tewari	Director	1(1)

Risk Management Policy

Risk management is embedded in the Company's operating framework. The Company believes that that risk resilience is key to achieving higher growth. To this effect, there is a robust process in place to identify key risks and prioritise relevant action plans to mitigate these risks.

Risk Management framework is reviewed periodically by the Board, which includes discussing the management submissions on risks, prioritising key risks and approving action plans to mitigate such risks.

The Company has a duly approved Risk Management Policy. The objective of this policy is to have a well-defined approach to risk. The policy lays down broad guidelines for timely identification, assessment, and prioritisation of risks affecting the Company in the short and foreseeable future. The policy suggests framing an appropriate response action for the key risks identified, so as to make sure that risks are adequately addressed or mitigated.

The internal audit function is responsible to assist the Board on an independent basis with the complete review of risk assessments and associated management action plans.

Vigil Mechanism

There is a mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud, or violation of code of conduct. The mechanism also provides for adequate safeguard against the victimisation of employees who avail of the mechanism, and allow direct access to the Board in exceptional cases. The complaints or concerns, if any, received from any person are promptly redressed.

Internal Financial Controls

The Company has established a robust framework for internal financial controls. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information. During the year, such controls were assessed and no reportable material weaknesses in the design or operations were observed. Accordingly, the board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2018-19.

Corporate Social Responsibility (CSR) policy

Your company has a CSR Policy for undertaking programmes and projects as per the requirements of law. The Company was still in the process of evaluating the focus areas / locations of intervention for CSR activities to cater to the pressing needs of society and deliver optimal impact. As a socially responsible Company, the Company is committed to build its CSR capabilities on a sustainable basis and is also committed to gradually increase its CSR contribution in the coming years. The CSR spending is guided by the vision of creating long-term benefit to the society. The Board will ensure improvement in the areas of spending in the CSR activities.

The Annual Report on CSR under section 135 of the Companies Act, 2013 is annexed as **Annexure – A** to this report.

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

The Company did not receive any complaint during the year, under Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Statutory Auditors

In terms of the provisions of Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, Deloitte Haskins & Sells vide registration no. 117365W, were appointed as the Statutory Auditors of the Company in the Annual General Meeting held on July 21, 2017, for a period of 5 years i.e. till the conclusion of the ninth AGM subject to the ratification by the members every year. The annual ratification of the auditors at the AGM is now not required in terms of the provisions of Section 139 of the Companies Act, 2013 amended vide the Companies (Amendment) Act, 2017.

The Board has duly examined the Statutory Auditor's report to the accounts, which is self-explanatory. Clarifications, wherever necessary, have been included in the notes to accounts section of the Annual Report.

Secretarial Audit Report

The Company had appointed Chandrasekaran Associates, Company Secretaries, to conduct its Secretarial Audit for the financial year ended March 31, 2019. The Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of applicable corporate laws.

The Report states that the form DIR 12 for appointment and resignation of CS was not filed. The Company had appointed a company secretary w.e.f May 26, 2018. However the E-form DIR-12 could not be filed with the Registrar of companies due to technical issue, despite consistent efforts were made to resolved the same. In the meantime, the Company Secretary resigned w.e.f September 17, 2018. During the year, to fill the vacancy, the Company appointed another Company Secretary w.e.f November 12, 2018 and the form DIR-12 was duly filed for his appointment. The Secretarial Audit Report is annexed as **Annexure – B** to this report.

The Board has reappointed Chandrasekaran Associates, Company Secretaries, New Delhi, as Secretarial Auditor of the Company for FY 2019-20.

Extract of Annual Return

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules 2014, the extracts of Annual Return of the Company in form MGT-9 is annexed as **Annexure – C** to this Report.

Particulars of loans, guarantees or investments under section 186

Particulars of investments, loans and guarantees form part of Note nos. 7, 17 and 19 respectively of the financial statements provided in the Annual Report.

Related Party Transactions

Particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013 in the prescribed form AOC-2 is annexed as **Annexure – D** to this report.

Energy Conservation, Technology Absorption, and Foreign Exchange Earnings and Outgo

The information with respect to energy conservation, technology absorption, and foreign exchange Earnings and Outgo as applicable, has been annexed as **Annexure – E** to this report and forms part of this report.

Directors' Responsibility Statement

Pursuant to Section 134 of the Companies Act, 2013, the directors, to the best of their knowledge and belief, confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis; and.

e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Significant and Material orders

There are no significant or material orders passed by the regulators, courts or tribunals having an impact on the future operations of the Company or its going concern status.

Acknowledgements

Your directors take this opportunity to place on record their appreciation for the wholehearted support received from government/regulatory authorities, company's bankers and auditors, the employees, the subscribers, customers, vendors, investors, dealers, suppliers and all other business associates. We look forward to their continued support in future.

For and on behalf of the Board
Nxtra Data Limited

Date: August 22, 2019 **Place: New Delhi**	**Badal Bagri** **Director** **DIN: 00367278** **Address: 148-Birch Court, Nirvana Country Sector-50, Gurgaon 122018**	**Pankaj Tewari** **Director** **DIN: 08006533** **Address: Flat No. P2A/106, Princeton Estate, Near Golf Course Road, DLF Phase-V, Sikanderpur, Gurgaon- 122002**

Annexure A

Form AOC 1

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

Name of Associate	Greenergy Wind Corporation Private Limited	Aban Green Power Private Limited
1. Latest audited Balance Sheet Date	March 31, 2019	March 31, 2019
2. Date on which the Associate was associates or acquired	March 30, 2016	October 27, 2016
3. Shares of Associate held by the company on the year end		
No.	41535 equity shares	47155 equity shares
Amount of Investment in Associates	Rs. 4,15,350/-.	Rs. 4,71,550/-
Extent of Holding (in percentage)	20.33%	24.88%
4. Description of how there is significant influence	Company holds 20.33% of equity shares	Company holds 24.88% of equity shares
5. Reason why the associate is not consolidated	As per Accounting Standard, Company is not an associate hence it is not required to maintain consolidated financial statements.	As per Accounting Standard, Company is not an associate hence it is not required to maintain consolidated financial statements
6. Net worth attributable to shareholding as per latest audited Balance Sheet	468 Million	468 Million
7. Profit/Loss for the year		
i. Considered in Consolidation	N.A	N.A
ii. Not Considered in Consolidation	475 Million	475 Million

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

For and on behalf of the Board
Nxtra Data Limited

Badal Bagri

Date: August 22, 2019
Place: New Delhi

Badal Bagri
Director
DIN: 00367278
Address: 148-Birch Court, Nirvana Country Sector-50, Gurgaon 122018

Pankaj Tewari
Director
DIN: 08006533
Address: Flat No. P2A/106, Princeton Estate, Near Golf Course Road, DLF Phase-V, Sikanderpur, Gurgaon- 122002

ANNEXURE – B

The Annual Report on Corporate Social Responsibility (CSR) Activities

1. **Brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs**

   At Nxtra Data, business success is not just about profits and shareholder returns. We believe in pursuing wider socio-economic and cultural objectives and have always endeavoured to not just live up to it, but to try and exceed the expectations of the communities in which we operate. At Nxtra Data Limited, the CSR and welfare activities, centers around the following areas:

   1. Promoting education for underprivileged sections of the society (school/college/technical/vocational);
   2. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
   3. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government

2. **Composition of the CSR Committee as on March 31, 2019:-**

   1. Badal Bagri, Chairman
   2. Pankaj Tewari, Member

3. **Average net profit of the Company for the last three financial years**

Financial year	Net Profit after adjustments (Rs in Millions)
2017-18	567
2016-17	(37)
2015-16	(176)
Average Net profit	**118**

4. **Prescribed CSR expenditure (two percent of the amount as in item 3 above):**

   Two percent of the average net profit as in item 3 above - Rs 2 Million

5. **Details of CSR spent during the financial year:**

Total amount to be spent for the financial year			Rs. 2 Million			
Amount spent towards CSR activities			Nil			
Amount Unspent			Rs. 2 Million (Refer para 6)			
Manner in which amount spent during the financial year is detailed below:						
CSR project or activity identified	**Sector in which the project is covered**	**Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:**	**Cumulative expenditure upto the reporting period**	**Amount spent: Direct or through implementing agency**
Eligible CSR Programs						
-	-	-	-	-	-	-

6. **In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

The Company was still in the process of evaluating the focus areas / locations of intervention for CSR activities to cater to the pressing needs of society and deliver optimal impact. In future, the Company will endeavour to spend on CSR activities in accordance with the statutory requirements.

Further, Bharti Family has also pledged a significant amount towards philanthropy, which would step-up the scope and reach of Bharti Foundation's initiatives to create opportunities for the underprivileged and contribute to nation building. Plan is to set up a world-class University namely Satya Bharti University, to offer free education to deserving youth from economically weaker sections of society.

7. We affirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board
For Nxtra Data Limited

Badal Bagri

Date: August 22, 2019	**Badal Bagri**	**Pankaj Tewari**
Place: New Delhi	**Director and Chairman CSR Committee**	**Director**
	DIN: 00367278	**DIN: 08006533**
	Address: 148-Birch Court, Nirvana Country Sector-50, Gurgaon 122018	**Address: Flat No. P2A/106, Princeton Estate, Near Golf Course Road, DLF Phase-V, Sikanderpur, Gurgaon 122002**

Annexure C

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

The Members,
Nxtra Data Limited
Bharti Crescent, 1,
Nelson Mandela Road,
VasantKunj, Phase - II,
New Delhi-110070

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

Based on our verification of theCompany's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; Not Applicable

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):- Not Applicable

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

CHANDRASEKARAN ASSOCIATES * NEW DELHI * COMPANY SECRETARIES

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
d. The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014;
e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;and
h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

vi. As confirmed and certified by the management there is no Sectorial law specifically applicable to the Company based on the Sectors / Businesses.

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India, and notified by Ministry of Corporate Affairs.

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

a. The Company had appointed a company secretary on May 26, 2018, who subsequently resigned on September 20, 2018. However, the Company has not filed the eform DIR-12 with the Registrar of Companies, in respect of his appointment and resignation.

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in cases where meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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.

Chandrasekaran Associates New Delhi Company Secretaries

We further report that during the audit period_following major events have happened which are deemed to have major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

(i) Accepting and obtaining fund and non-fund based credit facilities including Bank Guarantee, Letter of credit, overdraft facilities, cash credit, working Capital demand loan, short term borrowing from any one or more banks, companies, body corporates, financial institutions or any other lending institutions from time to time, in one or more tranches, which shall not exceed Rs.16,000 Million at any point of time.

(ii) Purchase/acquire identified passive infra asset of the core network locations and the associated managed services comprising of identified customer relations, assets and liabilities/obligations of whatsoever nature and kind and whosesoever situated in whole or in part and its employees on a going concern basis by the way of slump sale from Bharti Airtel Limited for a consideration of Rs. 375.8 crores.

For Chandrasekaran Associates
Company Secretaries

CHANDRASEKARAN ASSOCIATES NEW DELHI COMPANY SECRETARIES

Lakhan Gupta
Partner
Membership No.36583
Certificate of Practice No. 13725
Date: 22.08.2019
Place: New Delhi

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

Annexure-A

To,
The Members,
Nxtra Data Limited
Bharti Crescent, 1,
Nelson Mandela Road,
Vasant Kunj, Phase – II,
New Delhi-110070

Our report of even date is to be read with along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

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

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

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

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Chandrasekaran Associates
Company Secretaries

CHANDRASEKARAN ASSOCIATES NEW DELHI COMPANY SECRETARIES

Lakhan Gupta
Partner
Membership No.36583
Certificate of Practice No. 13725

Date: 22.08.2019
Place: New Delhi

ANNEXURE - D

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

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

I. REGISTRATION AND OTHER DETAILS:

i) **CIN:-** U72200DL2013PLC254747

ii) **Registration Date:-** July 2, 2013

iii) **Name of the Company:-** Nxtra Data Limited

iv) **Category / Sub-Category of the Company:** Company Limited by shares/Non-Government Company

v) **Address of the Registered office:** Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase - II, New Delhi - 110070

vi) **Whether listed company (Yes / No):-** No

vii) **Name, Address and Contact details of Registrar and Transfer Agent, if any:** NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Business of data centre, manages services and sale of hardware.	6110	99.65%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	**Bharti Airtel Limited** Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070	L74899DL1995PLC070609	Holding	56%*	Section 2(46)
2	**Nettle Infrastructure Investments Limited** Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi - 110070	U93000DL2010PLC301236	Wholly Owned Subsidiary of Holding Company	44%	
3	**Aban Green Power Private Limited** Janpriya Crest 113, Pantheon Road Egmore Chennai 600008	U40103TN2013PTC090446	Associate	24.88%	Section 2(6)
4	**Greenergy Wind Corporation Private Limited** No.3, 2nd Floor Queens Road Cross Near Congress Committee Office Bangalore 560052	U40104KA2012PTC062414	Associate	20.33%	Section 2(6)

*shares held includes 6 share held by nominees of Bharti Airtel Limited

IV. **SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies * Corp.	-	**90,17,857**	**90,17,857**	100%	-	**90,17,857**	**90,17,857**	100%	**Nil**
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other ….	-	-	-	-	-	-	-	-	-
								-	-
Sub-total (A) (1):-	-	**90,17,857**	**90,17,857**	100%	-	**90,17,857**	**90,17,857**	- 100%	Nil
(2) **Foreign**									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other ….	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	**90,17,857**	**90,17,857**	**100%**	-	**90,17,857**	**90,17,857**	**100%**	**Nil**

B. **Public Shareholding**									
1. **Institutions**	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance	-	-	-	-	-	-	-	-	-
2. **Non-Institutions**									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
(ii) Individual shareholders	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs &	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**-**	**90,17,857**	**90,17,857**	**100%**	**-**	**90,17,857**	**90,17,857**	**100%**	**NIL**

*share held by body corporate includes 6 share held by nominees of Bharti Airtel Limited.

(ii) ***Shareholding of Promoters***

Sl. No	Shareholder Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Bharti Airtel Limited	50,50,000	56	Nil	50,50,000	56	Nil	Nil
2	Nettle Infrastructure Investments Limited	39,67,857	44	Nil	39,67,857	44	Nil	Nil
	Total	**90,17,857**	**100**	**Nil**	**90,17,857**	**100**	**Nil**	**Nil**

(iii) ***Change in Promoters' Shareholding (please specify, if there is no change)***

Name of the Promoter – Bharti Airtel Limited

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	50,50,000	56	50,50,000	56
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the End of the year	50,50,000	56	50,50,000	56

Name of the Promoter – Nettle Infrastructure Investments Limited

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3,967,857	44	3,967,857	44
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
	At the End of the year	3,967,857	44	3,967,857	44

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Name of the Shareholder :- Nil

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel: NIL

No Director / KMP hold any share in the Company except Pankaj Tewari who hold one equity share in the Company as nominee of Bharti Airtel Limited.

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	3,940,521,430	-	3,940,521,430
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	3,940,521,430	-	3,940,521,430
Change in Indebtedness during the financial year				
· **Addition**	-	6,730,000,000	-	6,730,000,000
· **Reduction**	-	2,403,000,000	-	2,403,000,000
Net Change	-	4,327,000,000	-	4,327,000,000
Indebtedness at the end of the financial year				
i) Principal Amount	-	8,267,521,430	-	8,267,521,430
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	8,267,521,430	-	8,267,521,430

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. **Remuneration to Managing Director, Whole-time Directors and/or Manager:** *Not Applicable.*

S.No.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify...		
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors:

Particulars of Remuneration	Name of the Director(s)		Total Amount
Independent Directors - Fee for attending board committee meetings - Commission - Others, please specify	Nil	Nil	Nil
Total (1)	Nil	Nil	Nil

Particulars of Remuneration	Badal Bagri	Shefali Malhotra	Gautam Anand	Srikanth Balachandran	Pankaj Tewari	Total
Other Non-Executive Directors						
- Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil	Nil
- Commission	Nil	Nil	Nil	Nil	Nil	Nil
- Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil
Total (2)	Nil	Nil	Nil	Nil	Nil	Nil
Total (B)=(1+2)	Nil	Nil	Nil	Nil	Nil	Nil
Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil	Nil
Overall Ceiling as per the Act	Nil	Nil	Nil	Nil	Nil	Nil

C. Remuneration to key managerial personnel other than MD/Manager/WTD: -

S.No	Particulars of Remuneration	Key Managerial Personnel				
		Krishan Vidya Sagar-CEO	Dhiraj Aroraa - Company Secretary (CS)	Durgesh Pandey - CFO	Manish Bhutoria-CFO (resigned wef September 16, 2018)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7281572	-	2716145	4341679	14339396
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	23372 -	- -	19718	20372	63462
2.	Stock Option	-	-		-	-
3.	Sweat Equity	-	-		-	-
4.	Commission - as % of profit - others, specify...	- -	- -		- -	- -
5.	Others, please specify	716350	-	178026	239433	1133809
	Total	8021294	-	2913889	4601484	15536667

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: - NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT / Court]	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers In Default					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

Badal Bagri

Date: August 22, 2019
Place: New Delhi

Badal Bagri
Director
DIN: 00367278
Address: 148-Birch Court, Nirvana Country Sector-50, Gurgaon 122018

Pankaj Tewari
Director
DIN: 08006533
Address: Flat No. P2A/106, Princeton Estate, Near Golf Course Road, DLF Phase-V, Sikanderpur, Gurgaon- 122002

ANNEXURE E

Form No. AOC-2

PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH RELATED PARTIES
(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:

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2019, which were not at arm's length basis.

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

The details of material contracts or arrangements at arm's length basis for the year ended March 31, 2019 are as follows:

Name of related party Bharti Airtel Limited

Nature of relationship Holding Company

Amount. in Rupees Million

Nature of contract	Duration of contract	Salient terms of the contract	Amount	Date(s) of Approval by the Board	Amount paid as Advances
Sale/Rendering of Services to Related Party	Ongoing	On arm's length basis and in ordinary course of business	7833	NA	Nil

*Since the term 'Material' has not been defined under Companies Act, 2013, therefore the company has considered the threshold limits prescribed under Rule 15 (3) of Companies (Meetings of Board and its powers) Rules, 2014 for the purpose of disclosure in Form AOC-2.

For and on behalf of the Board

Badal Bagri

Date: August 22, 2019
Place: New Delhi

Badal Bagri
Director
DIN: 00367278
Address: 148-Birch Court, Nirvana Country Sector-50, Gurgaon 122018

Pankaj Tewari
Director
DIN: 08006533
Address: Flat No. P2A/106, Princeton Estate, Near Golf Course Road, DLF Phase-V, Sikanderpur, Gurgaon- 122002

ANNEXURE F

INFORMATION RELATED TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT AND FOREIGN EXCHANGE EARNING AND OUTGO FORMING PART OF DIRECTORS' REPORT IN TERMS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE (8)(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

The company continued with its effort to conserve energy through sustained investment in assets backed by periodic assessment of emission to meet the set targets. The company has wheeled 72.82 Mn units Green Power in 2018-19. Several actions have been taken to become energy efficient like

1. **Adoption of energy efficient equipment**
   - Cold aisle containment implemented at various locations: Cold aisle containment uses a physical barrier to reduce the mixing of cold supply air and hot exhaust air in data center aisles.
   - Blanking panels have been installed for streamlining the air flow
   - Fluorescent Tube lights have been replaced with LEDs
   - Motion sensors have also been installed to save energy
   - Replaced old PACs with high CFM PACs which not only reduced the count of PACs but also resulted into energy savings because of having better efficiency
   - Replaced PDX AC machines with PAHU at data centers
   - Introduced highly efficient UPS at data centers
   - Old raised floor tiles have been replaced to prevent cold air leakage
   - VFD installed in AHU motors & chiller pumps
   - PLC modification done (reduced operation of one DG set during power cut)

2. **Energy Conservation Measures**
   - Reduced run hours of duct units of common area
   - Transition of PAC operation on chilled water
   - Operated chiller on higher set point instead of earlier designed set point
   - Replaced air flow grill with hard tiles wherever racks were not installed or not powered-on which enabled us to lower the fan speed of PAC/PAHU and eventually reduced PAC/PAHU numbers
   - Maintained UPS room temperature at 28 deg. C instead of 25 deg. C which enabled us to increase PAC set point
   - Reduced fan Speed of PAC/PAHU as per the requirement at Battery and UPS rooms
   - Hot spot rectification
   - Free cooling at non-critical areas have been implemented during winter
   - Automated diesel management system institutionalized across all Data centers

3. **Utilization of Green Energy Technologies**
   - Institutionalized Open Access contracts for Green power wheeling to reduce carbon emissions and cost reduction
   - Solar rooftop PV projects installed to reduce carbon emission

4. **Power Usage Effectiveness (PUE)**
   - PUE of data centers has improved by 8% as compared to previous year (FY17-18)

B. TECHNOLOGY ABSORPTION

(a) Details of efforts made in Technology Absorption are given in "Form B" hereunder, as specified in the Annexure to the aforesaid Rules.

FORM – B

Research and Development (R & D)

1. **Specific Areas in which R & D carried out by the Company.**
   Your Company is engaged in the business of providing data center and managed services, and hence, does not carry out any research and development activities.

2. **Benefits Derived as a Result of the above R & D** – N.A.

3. **Future Plan of Action** – N.A.

4. **Expenditure on R & D**
   The Company does not carry out any research and development activities and hence, does not incur any expenditure on R & D.

Technology Absorption, Adaptation and Innovation

The Company continues to use the latest technology for innovation and improving the quality of its services. The Company constantly seeks innovative ways to provide its services with and through technology partners.

C. **FOREIGN EXCHANGE EARNINGS AND OUTGO.**

(a) **Activities Relating to Exports, initiatives taken to increase Exports, development of new export markets for products and services and Export Plans**:

The Company is not engaged in any activities related to exports or development of export markets.

(b) **Total Foreign Exchange used and earned:**

(in Rupees Millions)

Particulars	For the year ended March 31 2019	For the year ended March 31 2018
Foreign Exchange Earnings	111.81	51.15
Foreign Exchange Outgo	Nil	1.9
CIF value of Imports	31.14	Nil

For and on behalf of the Board
Nxtra Data Limited

Date: August 22, 2019
Place: New Delhi

Badal Bagri
Director
DIN: 00367278
Address: 148-Birch Court, Nirvana Country Sector-50, Gurgaon 122018

Pankaj Tewari
Director
DIN: 08006533
Address: Flat No. P2A/106, Princeton Estate, Near Golf Course Road, DLF Phase-V, Sikanderpur, Gurgaon- 122002

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Independent Auditor's Report

Deloitte Haskins & Sells LLP

Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurugram - 122 002
Haryana, India

Tel: +91 124 679 2000
Fax: +91 124 679 2012

INDEPENDENT AUDITOR'S REPORT

To The Members of Nxtra Data Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Nxtra Data Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

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

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

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- 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 Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement 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 is 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.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

NHL

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Our opinion on the financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report:

   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.

NHC

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

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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 Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Nilesh

Nilesh H. Lahoti
(Partner)
(Membership No. 130054)
UDIN: 19130054AAAAIB8898

Place: New Delhi
Date: August 23, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting 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 **Nxtra Data Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditor's 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

NHL

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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No.117366W/W-100018)

Nilesh

Nilesh H. Lahoti
Partner
(Membership No. 130054)
UDIN: 19130054AAAAIB8898

Place: New Delhi
Date: August 23, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Nxtra Data Limited of even date)

i. In respect of its fixed assets:

a) The Company has maintained proper records showing full particulars with respect to most of its fixed assets, and is in the process of updating quantitative and situation details with respect to certain fixed assets in the records maintained by the Company.

b) The Company has a program of verification of fixed assets to cover all the fixed assets items in a phased manner at reasonable intervals over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, no fixed assets were physically verified by the Management during the year.

c) According to information and explanation given to us, the Company does not have any immovable properties and hence the provisions of the clause 3(i)(c) are not applicable.

ii. According to information and explanation given to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.

v. According to the information and explanations given to us, the Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3(v) of the Order are not applicable.

vi. To the best of our knowledge and as explained, the central government has not prescribed maintenance of cost records under clause 148(1) of the companies Act, 2013 for the services of the company.

NHL

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the provisions relating to duty of excise are not applicable to the Company.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Value Added Tax, Service Tax, Goods and Service Tax, Customs Duty which have not been deposited on account of any dispute.

viii. In our opinion and according to information and explanations given to us, the Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the Order is not applicable.

ix. During the current year the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. In our opinion and according to the information and explanations given to us, the Company has not made any private placement of shares during the year.

NHL

Deloitte
Haskins & Sells LLP

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company, or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Nilesh

Place: New Delhi
Date: August 23, 2019

Nilesh H. Lahoti
Partner
(Membership No. 130054)
UDIN: 19130054AAAAIB8898

Ind AS Financial Statements

Nxtra Data Limited
Balance Sheet
(All amounts are in millions of Indian Rupee)

	Notes	As of March 31, 2019	As of March 31, 2018#
Assets			
Non-current assets			
Property, plant and equipment	6	5,318	5,624
Capital work-in-progress	6	2,916	324
Intangible assets		0	1
Financial assets			
- Investments	7	4	4
Income tax assets (net)		346	468
Deferred tax assets (net)	8	435	310
Other non-current assets	9	314	656
		9,333	**7,387**
Current assets			
Financial assets			
- Trade receivables	10	5,934	1,718
- Cash and cash equivalents	11	41	8
- Others	12	49	18
Other current assets	9	262	118
		6,286	**1,862**
Total assets		**15,619**	**9,249**
Equity and liabilities			
Equity			
Share capital	13	90	90
Other equity		378	(96)
		468	**(6)**
Non-current liabilities			
Financial liabilities			
- Others	15	71	63
Deferred revenue		49	62
Provisions	16	21	10
		141	**135**
Current liabilities			
Financial liabilities			
- Borrowings	17	8,268	3,941
- Trade payables	18		
-total outstanding dues of micro enterprises and small enterprises		4	-
-total outstanding dues of creditors other than micro enterprises and small enterprises		1,654	1,669
- Others	15	4,886	3,100
Deferred revenue		87	240
Provisions	16	6	7
Current tax liabilities (net)		-	56
Other current liabilities		105	107
		15,010	**9,120**
Total liabilities		**15,151**	**9,255**
Total equity and liabilities		**15,619**	**9,249**

#Refer note 5

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

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Nilesh H. Lahoti
Partner
Membership No: 130054
DATE: August 23, 2019

Place: **New Delhi**

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board of Directors of Nxtra Data Limited

Badal Bagri
Director
DIN: 00367278

Pankaj Tewari
Director
DIN: 08006533

Durgesh Pandey
Chief Financial Officer

Krishnan Vidyasagar
Chief Executive Officer

Dhiraj Aroraa
Company Secretary

Date: August 22, 2019

Nxtra Data Limited

Nxtra Data Limited
Statement of Profit and loss
(All amounts are in millions of Indian Rupee ; except per share data)

	Notes	For the year ended March 31, 2019#	For the year ended March 31, 2018#
Income			
Revenue from operations	20	8,518	3,347
Other income		30	31
		8,548	**3,378**
Expenses			
Data centre operating expenses	21	5,847	1,747
Employee benefits expenses	22	137	129
Other expenses	23	533	518
		6,517	**2,394**
Profit from operating activities before depreciation, amortisation and exceptional items		**2,031**	**984**
Depreciation and amortisation	24	1,242	568
Finance costs	25	0	0
Finance income	25	(2)	(1)
Profit before exceptional items and tax		**791**	**417**
Exceptional item	26	-	49
Profit before tax		**791**	**368**
Tax expense			
Current tax	8	441	222
Deferred tax	8	(125)	(92)
Profit for the year		**475**	**238**
Other comprehensive income			
Items not to be reclassified to profit or loss :			
- Re-measurement gains on defined benefit plans	22	1	2
- Tax charge		(0)	(0)
Other comprehensive income for the year		**1**	**2**
Total comprehensive income for the year		**476**	**240**
Earnings per share (Face value: Rs. 10/- each)			
Basic and diluted earnings per share	27	52.71	26.05

#Refer note 5

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

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Nilesh H. Lahoti
Partner
Membership No: 130054
Date: August 23, 2019

Place: **New Delhi**

For and on behalf of the Board of Directors of Nxtra Data Limited

Badal Bagri
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DIN: 00367278

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Chief Financial Officer

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Chief Executive Officer

Dhiraj Aroraa
Company Secretary

Date: August 22, 2019

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Nxtra Data Limited

Nxtra Data Limited
Statement of Changes in Equity
(All amounts are in millions of Indian Rupee ; unless stated otherwise)

	Share capital		Other equity - Reserves and Surplus				
	No of shares (In '000)	Amount	Additional capital contribution	Retained earnings	Capital reserve	Total	Total equity
As of April 1, 2017 #	**5,050**	**51**	**258**	**(402)**	**(196)**	**(340)**	**(289)**
Profit for the year	-	-	-	238		238	238
Transfer from retained earnings to capital reserve & working capital movement #				(3)	7	4	4
Other comprehensive income	-	-	-	2	-	2	2
Total comprehensive income	-	-	-	**237**	**7**	**244**	**244**
Transactions with owners of equity							
Issue of equity shares	3,968	39	-	-	-	-	39
As of March 31, 2018 #	**9,018**	**90**	**258**	**(165)**	**(189)**	**(96)**	**(6)**
Profit for the year	-	-	-	475		475	475
Transfer from retained earnings to capital reserve & working capital movement #				(2)	0	(2)	(2)
Other comprehensive income	-	-	-	1	-	1	1
Total comprehensive income	-	-	-	**474**	-	**474**	**474**
As of March 31, 2019	**9,018**	**90**	**258**	**309**	**(189)**	**378**	**468**

#Refer note 5

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

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Nilesh H. Lahoti
Partner
Membership No: 130054
Date: August 23, 2019

Place: **New Delhi**

For and on behalf of the Board of Directors of Nxtra Data Limited

Badal Bagri
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DIN: 00367278

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Chief Financial Officer

Krishnan Vidyasagar
Chief Executive Officer

Dhiraj Aroraa
Company Secretary

Date: August 22, 2019

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Nxtra Data Limited

Nxtra Data Limited
Statement of Cash Flows
(All amounts are in millions of Indian Rupee)

	For the year ended	
	March 31, 2019#	March 31, 2018#
Cash flows from operating activities		
Profit before tax	791	368
Adjustments for:		
Depreciation and amortisation	1,242	568
Exceptional items	0	49
Finance costs	0	0
Finance income	(2)	(1)
Other non-cash items	59	77
Operating cash flow before changes in working capital	**2,090**	**1,061**
Changes in working capital		
Trade receivables	(4,348)	(757)
Trade payables	950	281
Inventories	-	36
Other financial and non-financial liabilities	2,167	224
Other financial and non-financial assets	129	(539)
Net cash generated / (used) in operations before tax	**989**	**306**
Income tax paid	(375)	(197)
Net cash generated / (used) in operating activities (a)	**614**	**109**
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,540)	(1,321)
Interest received	2	1
Consideration for common control transaction	630	382
Net cash used in investing activities (b)	**(4,908)**	**(938)**
Cash flows from financing activities		
Proceeds from borrowings	6,730	2,966
Repayment of borrowings	(2,403)	(2,185)
Proceeds from fresh issue of share capital	-	39
Net cash generated from financing activities (c)	**4,327**	**820**
Net increase / (decrease) in cash and cash equivalents during the year (a+b+c)	**33**	**(9)**
Add : Cash and cash equivalents as at the beginning of the year	8	17
Cash and cash equivalents as at the end of the year (refer note 11)	**41**	**8**

#Refer note 5

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

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No: 117366W / W-100018)

Nilesh H. Lahoti
Partner
Membership No: 130054
Date: August 23, 2019

Place: **New Delhi**

DELOITTE HASKINS & SELLS LLP Chartered Accountants

For and on behalf of the Board of Directors of Nxtra Data Limited

Badal Bagri
Director
DIN: 00367278

Pankaj Tewari
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DIN: 08006533

Durgesh Pandey
Chief Financial Officer

Krishnan Vidyasagar
Chief Executive Officer

Dhiraj Aroraa
Company Secretary

Date: August 22, 2019

Nxtra Data Limited

1. Corporate information

Nxtra Data Limited ('the Company' or 'NDL') is domiciled and incorporated in India as a limited liability company. The registered office of the Company is situated at Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase – II, New Delhi – 110070.

The principal object of the Company is to carry on the business of data centre, managed services and sale of hardware.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements ('financial statements') have been prepared to comply in all material respects with the Indian Accounting Standard ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act except as mentioned in below paragraph.

These financial statements have been prepared to comply with the requirements of Appendix C 'Business combinations of entities under common control' of Ind AS – 103, 'Business Combinations', which states that in case of common control business combinations, previous period figures shall be restated as if the said business combination had occurred from beginning of previous period. Accordingly, the comparatives have been restated to give effect as if the operations acquired by the Company related to passive infrastructure from Bharti Airtel Limited on May 1, 2018 had been acquired w.e.f. from April 1, 2017.

These financial statements are approved for issue by the Company's Board of Directors on August 22, 2019

These financial statements include the Company's balance sheet as at March 31, 2019, statement of profit and loss and statement of cash flow for the year ended March 31, 2019 and are prepared in accordance with the company's accounting policies.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. Further, for the purpose of clarity, various items are aggregated in statement of profit and loss and balance sheet. Nonetheless, these items are dis-aggregated separately in the notes to the financial statements, where applicable or required.

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Nxtra Data Limited

All the amounts included in the financial statements are reported in millions of Indian Rupee ('Rupee' or 'Rs.') and are rounded to the nearest Millions except per share data and unless stated otherwise. Further, amounts which are less than a million are appearing as '0'.

The preparation of the said financial statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in Note 3.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said financial statements. Further, previous year's figures have been re-grouped, wherever necessary to conform to current year's classification.

2.2 Basis of measurement

The financial statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment. The principal variations from the historical cost convention relate to financial instruments which are classified as fair value through profit or loss and liability for cash-settled awards (refer note 2.15) – which are measured at fair value.

Fair value measurement

Fair value is the price at the measurement date, at which an asset can be sold or paid to transfer a liability, in an orderly transaction between market participants. The Company's accounting policies require, measurement of certain financial / non-financial assets and liabilities at fair values (either on a recurring or non-recurring basis). Also, the fair values of financial instruments measured at amortised cost are required to be disclosed in the said financial statements.

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the financial statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The three levels of the fair-value-hierarchy are described below:
Level 1: Quoted (unadjusted) prices for identical assets or liabilities in active markets
Level 2: Significant inputs to the fair value measurement are directly or indirectly observable
Level 3: Significant inputs to the fair value measurement are unobservable

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Nxtra Data Limited

2.3 Foreign currency transactions

The financial statements are presented in Indian Rupees which is the functional and presentation currency of the Company.

Transactions in foreign currencies are initially recorded in the relevant functional currency at the rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date with the resulting foreign exchange differences, on subsequent re-statement / settlement, recognised in the statement of profit and loss within finance costs / finance income. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate prevalent, at the date of initial recognition (in case they are measured at historical cost) or at the date when the fair value is determined (in case they are measured at fair value) – the resulting foreign exchange difference, on subsequent re-statement / settlement, recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity.

The equity items denominated in foreign currencies are translated at historical cost.

2.4 Current versus non-current classification

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

Deferred tax assets and liabilities, and all assets and liabilities which are not current (as discussed in the below paragraphs) are classified as non-current assets and liabilities.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised 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.
A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

2.5 Common control transactions

Business combinations arising from transfers of interest / business in entities that are under the common control, are accounted at historical cost. The difference, between any consideration paid / received and the aggregate historical carrying amounts of underlying assets and liabilities acquired / disposed (other than impairment, if any), is recorded in capital reserve, a component of equity.

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Chartered Accountants

Nxtra Data Limited

2.6 Property, plant and equipment ('PPE')

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), assets retirement obligations (refer note 2.16 (b)) and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of PPE are required to be replaced at regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. Further, in case the replaced part was not being depreciated separately, the cost of the replacement is used as an indication to determine the cost of the replaced part at the time it was acquired.

The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the year in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on PPE is computed using the straight-line method over the estimated useful lives. Freehold land is not depreciated as it has an unlimited useful life. The Company has established the estimated range of useful lives for different categories of PPE as follows:

Categories	**Years**
Leasehold land	Period of lease
Plant and machinery	2 – 20
Computer	1 – 3
Office equipment	2 - 5
Furniture and fixtures	5
Leasehold improvements	Period of lease or 10 years, whichever is less

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at-least as at each financial year end so as to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / losses are included in the statement of profit and loss within other expenses / other income.

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Nxtra Data Limited

The management basis its past experience and technical assessment has estimated the useful life, which is at variance with the life prescribed in Part C of Schedule II of the Companies Act, 2013 and has accordingly, depreciated the assets over such useful life.

The cost of capital work-in-progress (CWIP) is presented separately in the balance sheet.

2.7 Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably.

The intangible assets are initially recognised at cost. These assets having finite useful life are carried at cost less accumulated amortisation and any impairment losses. Amortisation is computed using the straight-line method over the expected useful life of intangible assets.

The Company has established the estimated useful lives of different categories of intangible assets as follows:

a. Software

Software are amortised over the period of license, generally not exceeding three years.

b. Non-compete fee

Non-compete fee are amortised over the period of the agreement which ranges upto five years.

The useful lives and amortisation method are reviewed, and adjusted appropriately, at least at each financial year end so as to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets. The effect of any change in the estimated useful lives and / or amortisation method is accounted prospectively, and accordingly the amortisation is calculated over the remaining revised useful life.

2.8 Impairment of non-financial assets

Property, plant and equipment, Intangible assets and intangible assets under development

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired.

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Nxtra Data Limited

For the purpose of impairment testing, the recoverable amount (that is, higher of the fair value less costs to sell and the value-in-use) is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets, in which case the recoverable amount is determined at the cash-generating-unit ('CGU') level to which the said asset belongs. If such individual assets or CGU are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount and allocated on pro-rata basis.

Reversal of impairment losses

Impairment losses are reversed in the statement of profit and loss and the carrying value is increased to its revised recoverable amount provided that this amount does not exceed the carrying value that would have been determined had no impairment loss been recognised for the said asset / CGU in previous years.

2.9 Financial instruments

a. Recognition, classification and presentation

The financial instruments are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the financial instrument.

The Company determines the classification of its financial instruments at initial recognition.

The Company recognises its investment in subsidiaries, joint ventures and associates at cost less any impairment losses. The said investments are tested for impairment whenever circumstances indicate that their carrying values may exceed the recoverable amount (viz. higher of the fair value less costs to sell and the value-in-use).

The Company classifies its financial assets in the following categories: a) those to be measured subsequently at fair value through profit or loss, and b) those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Company has classified all the non-derivative financial liabilities measured at amortised cost.

Financial assets and liabilities arising from different transactions 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 related recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

DELOITTE HASKINS & SELLS LLP Chartered Accountants

Nxtra Data Limited

b. Measurement - Non-derivative financial instruments

I. Initial measurement

At initial recognition, the Company measures the non-derivative financial instruments (except financial guarantee) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Otherwise transaction costs are expensed in the statement of profit and loss.

II. Subsequent measurement - financial assets

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

i. Financial assets measured at amortised cost

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

ii. Financial assets at fair value through profit or loss ('FVTPL')

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

Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve month expected credit loss (ECL) is used to provide for impairment loss, otherwise lifetime ECL is used.

However, only in case of trade receivables, the Company applies the simplified approach which requires expected lifetime losses to be recognised from initial recognition of the receivables.

III. Subsequent measurement - financial liabilities

The financial liabilities are initially recognised at fair value less any directly attributable transaction costs. They are subsequently measured at amortised cost using the EIR method (if the impact of discounting / any transaction costs is significant).

DELOITTE HASKINS & SELLS LLP
Chartered Accountants

Nxtra Data Limited

c. Derecognition

The financial liabilities are de-recognised from the balance sheet when the under-lying obligations are extinguished, discharged, lapsed, cancelled, expires or legally released. The financial assets are de-recognised from the balance sheet when the rights to receive cash flows from the financial assets have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The difference in the carrying amount is recognised in statement of profit and loss.

2.10 Leases

The determination of whether an arrangement is a lease is based on whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Operating lease receipts / payments are recognised as an income / expense on a straight-line basis over the lease term unless the lease payments increase in line with expected general inflation.

a. Company as a lessee

Assets acquired under finance leases are capitalised at the lease inception at lower of the fair value of the leased asset and the present value of the minimum lease payments. Lease payments are apportioned between finance charges (recognised in the statement of profit and loss) and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability for each period.

b. Company as a lessor

Assets leased to others under finance lease are recognised as receivables at an amount equal to the net investment in the leased assets. Finance lease income is allocated to periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of finance lease.

Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised in statement of profit and loss on a straight-line basis over the lease term.

2.11 Taxes

The income tax expense comprises of current and deferred income tax. Income tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or directly in equity, in which case the related income tax is also recognised accordingly.

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a. Current tax

The current tax is calculated on the basis of the tax rates, laws and regulations, which have been enacted or substantively enacted as at the reporting date. The payment made in excess / (shortfall) of the Company's income tax obligation for the period are recognised in the balance sheet under non-current assets as income tax assets / under current liabilities as current tax liabilities.

Any interest, related to accrued liabilities for potential tax assessments are not included in Income tax charge or (credit), but are rather recognised within finance costs.

b. Deferred tax

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, deferred tax are not recognised if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The unrecognised deferred tax assets / carrying amount of deferred tax assets are reviewed at each reporting date for recoverability and adjusted appropriately.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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, (a) the Company currently has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) when it relate to income tax levied by the same taxation authority and where there is an intention to settle the current income tax balances on net basis.

2.12 Inventories

Inventories are stated at the lower of cost (determined using the first-in-first-out method) and the net realisable value. The costs comprise its purchase price and any directly attributable cost of bringing to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated variable costs necessary to make the sale.

2.13 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and any deposits with original maturities of three months or less (that are readily convertible to known amounts of cash and cash equivalents and subject

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to an insignificant risk of changes in value). However, for the purpose of the statement of cash flows, in addition to above items, any bank overdrafts / cash credits that are integral part of the Company's cash management, are also included as a component of cash and cash equivalents.

2.14 Share capital

Ordinary shares are classified as Equity when the Company has an un-conditional right to avoid delivery of cash or another financial asset, that is, when the dividend and repayment of capital are at the sole and absolute discretion of the Company and there is no contractual obligation whatsoever to that effect.

2.15 Employee benefits

The Company's employee benefits mainly include wages, salaries, bonuses, defined contribution to plans, defined benefit plans, compensated absences, deferred compensation and share based payments. The employee benefits are recognised in the year in which the associated services are rendered by the Company employees.

a. Defined contribution plans

The contributions to defined contribution plans are recognised in statement of profit or loss as and when the services are rendered by employees. The Company has no further obligations under these plans beyond its periodic contributions.

b. Defined benefit plans

In accordance with the local laws and regulations, all the employees are entitled for the Gratuity plan. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The Company provides for the liability towards the said plans on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method.

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations. The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations liability. The net interest income / (expense) on the net defined benefit liability is recognised in the statement of profit and loss. However, the related re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments

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and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods.

c. Other long-term employee benefits

The employees of the Company are entitled to compensated absences as well as other long-term benefits. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment.

The Company provides for the liability towards the said benefit on the basis of actuarial valuation carried out quarterly as at the reporting date, by an independent qualified actuary using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

2.16 Provisions

a. General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources will be required to settle the said obligation, and the amounts of the said obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the relevant obligation, using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to un-winding of discount over passage of time is recognised within finance costs.

b. Assets retirement obligation ('ARO')

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

2.17 Contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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2.18 Revenue recognition

Effective April 1, 2018, the Company has adopted Ind AS 115, 'Revenue from Contracts with Customers' applying the cumulative effect method applied retrospectively to the contracts that are not completed as of April 1, 2018 (being the date of initial application). Accordingly, the comparative information has not been restated. The effect on adoption of the said standard is insignificant on these financial statements.

Revenue is recognized upon transfer of control of promised products or services to customer at the consideration which the Company has received or expects to receive in exchange of those products or services, net of any taxes / duties, discounts and process waivers. In order to determine if it is acting as a principal or as an agent, the Company assesses whether it is primarily responsible for fulfilling the performance obligation and whether it controls the promised service before transfer to customers.

a) Service revenue

Service revenue mainly pertains to the revenue from data center and managed services which are recognized post completion of performance obligation.

Revenues in excess of invoicing are classified as unbilled revenue while invoicing / collection in excess of revenue are classified as deferred revenue / advance from customers.

b) Equipment sales

Equipment sales consist primarily of revenue from sale of hardware equipment. Revenue from equipment sales transaction are recognised when the control of such equipment is transferred to the customer.

c) Interest income

The interest income is recognised using the EIR method. For further details, refer Note 2.9.

2.19 Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Company incurs in connection with the borrowing of funds. The borrowing costs directly attributable to the acquisition or construction of any asset that takes a substantial period of time to get ready for its intended use or sale are capitalised. All the other borrowing costs are recognised in the statement of profit and loss within finance costs of the period in which they are incurred.

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2.20 Exceptional items

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

2.21 Earnings per share ('EPS')

The Company presents the Basic and Diluted EPS data.

Basic EPS is computed by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of shares outstanding during the period.

Diluted EPS is computed by adjusting, the profit for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

3. Critical accounting estimates, assumptions and judgements

The estimates and judgements used in the preparation of the said financial statements are continuously evaluated by the Company, and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates and judgements are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.
Although the Company regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions under-lying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the financial statements in the period in which they become known.

3.1 Critical accounting estimates and assumptions

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying values of assets and liabilities within the next financial year are discussed below.

a. Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis or grouped into homogeneous groups and assessed for

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impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

b. Impairment reviews

PPE (including CWIP) and intangible assets with definite lives, are reviewed for impairment, whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Similarly, Intangible assets under development is tested for impairment, at-least annually and whenever circumstances indicate that it may be impaired. For details as to the impairment policy, refer note 2.8. Accordingly, the Company has performed impairment reviews for the above assets. However, the said reviews did not result in any impairment charge.

In calculating the value in use, the Company is required to make significant judgements, estimates and assumptions inter-alia concerning the growth in EBITDA, long-term growth rates and discount rates to reflect the risks involved.

The Company operates in developing market and in such market, the plan for shorter duration is not indicative of the long-term future performance. Considering this and the consistent use of such robust ten-year information for management reporting purpose, the Company uses ten year plans for the purpose of impairment testing.

c. Taxes

Deferred tax assets are recognised for the unused tax losses and minimum alternate tax credits for which there is probability of utilisation against the future taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments.

4. Standards issued but not effective as at balance sheet date

The new and applicable significant standards, amendments to Standards that are issued but not yet effective until the date of authorisation for issuance of the said financial statements are discussed below. The Company has not early adopted these amendments and intends to adopt when they become effective.

Ind AS 116, 'Leases'

In March 2019, MCA has notified the Ind AS 116, Leases. It will replace the existing leases Standard, Ind AS 17 'Leases', and related interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. It introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lease is required to recognise a

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right-of-use asset representing its right to use and the underlying leased assets and a lease liability representing its obligation to make lease payments.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The Company is in the process of evaluating its impact on the financial statements.

The following pronouncements, which are potentially relevant to the Company, have been issued and are effective for annual periods beginning on or after April 1, 2019.

- Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

- Amendment to Ind AS 12 – Income taxes: The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity accordingly to where the entity originally recognised those past transactions or events.

5. Significant transactions / new developments

During the year ended March 31, 2019, the Company has acquired the operations pertaining to passive infrastructure from Bharti Airtel limited (parent of the company), for a consideration of Rs. 3,245. Accordingly, excess of amount paid over cost of assets acquired amounting to Rs. 189 has been recognised in capital reserve.

The Company has accounted the transaction as a common control transaction as required under Ind AS 103, 'Business Combinations' and given the effect from April 1, 2017 (beginning of the preceding period). Accordingly, the comparative information has been restated with the relevant carrying amounts pertaining of the said operation acquired.

Further, the above mentioned consideration payable and capital reserve, both being adjusted for working capital movements and gain from the said operations since April 1, 2017 until the date of acquisition, have been recognised on April 1, 2017.

In the above business on an as is basis; it was substantially captive business of Bharti Airttel Limited apart from few external customers. Consequently, the cost incurred in the said operation was against the captive

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as well as non-captive business whereas revenue recognized was against only non-captive business. In order to reflect the underlying performance, the Company has considered the cost attributable to the non-captive business only (allocated on the basis of the total revenue of the said operations post transfer to the Company vis-à-vis the related actual non-captive revenue) rather than attributing notional revenue for captive business.

The summarised financial information of the above operations as determined on the above basis is given below.

Balance Sheet		**As of**	
Assets	**April 30, 2018**	**March 31, 2018**	**April 1, 2017**
Non-current assets*	3,684	3,633	3,785
Current assets	510	85	60
Total assets	**4,194**	**3,718**	**3,845**
Equity and liabilities			
Equity	**(189)**	**(189)**	**(196)**
Current liabilities			
Trade payables	841	959	703
Others (Consideration payable)	3,542	2,948	3,338
Total equity and liabilities	**4,194**	**3,718**	**3,845**

	For the Period	**For the year ended**
Statement of profit and loss	**Apr 30, 2018**	**March 31, 2018**
Income	12	145
Expenses	9	106
Profit from operating activities	**3**	**39**
Depreciation and amortisation	1	36
Profit for the period	**2**	**3**

* It mainly includes PPE

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6. Property, plant and equipment ('PPE')

The following table presents the reconciliation of changes in the carrying value of PPE for the year ended March 31, 2019 and 2018:

	Leasehold land	Plant and machinery	Furniture and fixtures	Office equipment	Computer	Leasehold improvements	Total
Gross Carrying value							
As of April 1, 2017 ^	286	10,796	15	1,039	138	406	12,680
Additions / capitalisation ^	210	904	-	35	33	13	1,195
Disposals/adjustment	(13)	(7)	(3)	(0)	(4)	-	(27)
As of March 31, 2018 ^	483	11,693	12	1,074	167	419	13,848
Additions / capitalisation ^	-	906	1	50	21	12	990
Disposals/Adjustments	-	(114)	-	(12)	(6)	(0)	(132)
As of March 31, 2019	483	12,485	13	1,112	182	431	14,706
Accumulated depreciation							
As of April 1, 2017 ^	-	5,651	9	719	86	336	6,801
Charge ^*	8	1,190	0	156	50	17	1,421
Disposals/adjustment	-	(3)	1	1	3	-	2
As of March 31, 2018 ^	8	6,838	10	876	139	353	8,224
Charge ^*	5	1,104	3	120	38	15	1,285
Disposals/adjustment	-	(108)	0	(11)	(2)	(0)	(121)
As of March 31, 2019	13	7,834	13	985	175	368	9,388
Net carrying Amount							
As of March 31, 2018 ^	475	4,855	2	198	28	66	5,624
As of March 31, 2019	470	4,651	0	127	7	63	5,318

^Refer note 5

* It includes Rs. 45 and Rs. 853 for the year ended March 31, 2019 and 2018 with respect to captive business.

The carrying value of capital work-in-progress as at March 31, 2019 and March 31, 2018 is Rs. 2,916 and Rs. 324, mainly pertains to construction on building / plant and machinery.

7. Investment

	As of March 31, 2019	As of March 31, 2018
Non- current		
Greenergy Wind Corporation Pvt. Ltd : 41,535 shares of Rs. 10 each	4	4
Aban Green Power Pvt Ltd : 47,155 shares of Rs. 10 each	0	0
Sugnaneshwara Hydel Power Pvt Ltd : 32,500 shares of Rs. 100 each	0	0
	4	**4**
Aggregate book value of unquoted investment	4	4

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8. Income taxes

The major components of Income tax expense are:-

	For the year ended	
	March 31, 2019	March 31, 2018
Current income tax		
- For the year	412	226
- Adjustments for prior periods	29	(4)
	441	222
Deferred tax		
- Origination and reversal of temporary differences	(122)	(93)
- Effect of change in tax rate	(3)	(3)
- Adjustments for prior periods	-	4
	(125)	(92)
Income tax expense	**316**	**130**

The reconciliation between the amount computed by applying the statutory income tax rate to the profit before tax and income tax expense is summarized below:

	For the year ended	
	March 31, 2019	March 31, 2018
Profit before tax	791	368
Tax expense @ 34.944% / 34.608%	277	128
Effect of:		
Effect of changes in tax rate	(3)	(3)
Adjustment in respect to current tax of previous years	29	(4)
Adjustment in respect to deferred tax of previous years	-	4
Expense not deductible (net)	13	5
Income tax expense	**316**	**130**

The analysis of deferred tax assets is as follows

	As of	
	March 31, 2019	March 31, 2018
Deferred tax asset		
Provision for impairment of debtors / advances	143	112
Post employment benefits	3	(5)
Lease rent equalization	26	23
Depreciation / amortisation on PPE / intangible assets	263	174
Others	-	6
Net deferred tax asset	**435**	**310**

	For the year ended	
	March 31, 2019	March 31, 2018
Deferred tax income		
Provision for impairment of debtors / advances	31	51
Post employment benefits	8	(5)
Lease rent equalization	3	-
Depreciation / amortisation on PPE / intangible assets	89	46
Others	(6)	-
Net deferred tax income	**125**	**92**

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The movement in deferred tax assets during the year is as follows:

	As of	
	March 31, 2019	March 31, 2018
Opening balance	**310**	**218**
Tax expense recognised in profit or loss	125	92
Tax expense recognised in OCI	(0)	(0)
Closing balance	**435**	**310**

9. Other non-financial assets

Non-current

	As of	
	March 31, 2019	March 31, 2018
Securty deposits*	224	155
Capital advance	83	472
Others	7	29
	314	656

* Security deposit includes amount due from related parties (refer note 28).

Current

	As of	
	March 31, 2019	March 31, 2018
Taxes recoverable*	132	58
Advances to suppliers (net)	119	39
Prepaid expenses	9	9
Others	2	12
	262	118

*Taxes recoverable include customs duty and goods and services tax (GST).

10. Trade receivables

	As of	
	March 31, 2019	March 31, 2018
Trade receivable - Unsecured*	6,244	1,976
Less: Allowances for doubtful receivables	(310)	(258)
	5,934	1,718

*It includes amount due from related party (refer note 28)

Refer note 29.1 (ii) for credit risk

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The movement in allowances for doubtful debts is as follows

	As of March 31, 2019	As of March 31, 2018
Opening balance	247	170
Additions	63	77
	310	**247**

11. Cash and cash equivalents

	As of March 31, 2019	As of March 31, 2018
Balances with banks	41	8
	41	**8**

12. Financial Assets – Others

Current

	As of March 31, 2019	As of March 31, 2018
Unbilled revenue	49	-
Claims recoverable	0	18
	49	**18**

13. Share capital

	As of March 31, 2019	As of March 31, 2018
Authorised shares		
10,000,000 (March 31, 2018- 10,000,000) equity shares of Rs 10 each	100	100
Issued, Subscribed and fully paid-up shares		
9,017,857 (March 31, 2018- 9,017,857) equity shares of Rs 10 each	90	90
	90	**90**

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of shares in '000	Amount	No. of shares in '000	Amount
At the beginning of the year	9,018	90	5,050	51
Issued during the year	-	-	3,968	39
Outstanding at the end of the year	**9,018**	**90**	**9,018**	**90**

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b. Terms/rights attached to equity shares

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

c. Details of shareholders (as per the register of shareholders) holding more than 5% shares in the Company (including shares held by holding company and its subsidiary)

	As of			
	March 31, 2019		March 31, 2018	
	No. of shares in '000	% holding	No. of shares in '000	% holding
Equity shares of Rs 10 each fully paid up				
Bharti Airtel Limited	5,050	56%	5,050	56%
Nettle Infrastructure Investment Limited	3,968	44%	3,968	44%

14. Reserves and surplus

a) Retained earnings: Retained earnings represent the amount of accumulated earnings of the Company re-measurement differences on defined benefits plans and gains / (losses) on common control transactions

b) Additional capital contribution: Additional capital contribution represents the fair valuation impact of the off-market loans provided by the parent company.

c) Capital reserve: Capital reserve represent excess of amount paid over cost of assets acquired under comment control.

15. Financial liabilities - Others

Non-current

	As of	
	March 31, 2019	March 31, 2018
Lease rent equalisation	71	63
	71	**63**

Current

	As of	
	March 31, 2019	March 31, 2018
Equipment supply payables#@	4,863	3,073
Employee payables	22	25
Others*	1	2
	4,886	**3,100**

* 'Others' represents taxes payable.

It includes dues to related party (refer note 28)

@ Refer note 5 for common control transaction

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16. Provisions

	As of	
	March 31, 2019	**March 31, 2018**
Non current		
Gratuity	15	10
Compensated absence	6	-
Long term service award	0	0
	21	**10**

	As of	
	March 31, 2019	**March 31, 2018**
Current		
Gratuity	4	2
Compensated absence	2	5
	6	**7**

Refer note 22 for movement of provision towards various employee benefits.

17. Borrowings

Current borrowings

	As of	
	March 31, 2019	**March 31, 2018**
Unsecured		
Loan from holding company	8,268	3,941
	8,268	**3,941**

17.1 Analysis of borrowings

The details given below are gross of debt origination cost.

17.1.1 Repayment terms of borrowings

The INR borrowings of Rs. 8,268 and Rs. 3,941 as of March 31, 2019 and 2018 respectively, from holding company, repayable on demand. The borrowings are repayable on or before December 31, 2020 and carries interest at nil rate.

(All amounts are in millions of Indian Rupee; unless stated otherwise)

17.2 Unused line of credit

The below table provides the details of un-drawn credit facilities that are available to the Company.

	As of	
	March 31, 2019	March 31, 2018
Unsecured	7,732	759

18. Trade payables

	As of	
	March 31, 2019	March 31, 2018
Due to Micro and Small enterprise	4	-
Others*^	1,654	1,669
	1,658	**1,669**

*It include amount due to related parties (refer note 28)

^Refer note 5

Micro, small & medium enterprises development act, 2006 ('MSMED') disclosure

The dues to micro and small enterprises as required under MSMED Act, 2006, based on the information available with the company, is given below:

Sr No	Particulars	For the year ended March 31, 2019	March 31, 2018
1	Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	4	-
2	Amount of interest paid by the buyer in terms of section 16 of the MSMED ACT 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each	0	-
3	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED ACT 2006.	-	-
4	Amount of interest accrued and remaining unpaid at the end of each accounting year;	-	-
5	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED ACT 2006.	-	-

19. Guarantees, Contingencies and commitments

(i) Contingent liabilities and guarantees

(a). Guarantees outstanding as of March 31, 2019 and March 31, 2018 amounting to Rs. 51 and Rs. 36 respectively have been issued by banks and financial institutions on behalf of the Company.

(b). Contingent liabilities as of March 31, 2019 and 2018 are Rs. 0.20 and Rs. 0.20 respectively.

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(c). The Company has contracted commitments towards capital expenditure (net of related advance of Rs 1,260 and Rs Nil as of March 31, 2019 and March 31, 2018, not restated for the common control transaction for acquisition of passive infrastructure), respectively.

(ii) Lease commitments

Operating Lease
As lessee

The future minimum lease payments obligations are as follows: -

	For the year ended	
	March 31, 2019	March 31, 2018
Obligations on non cancelable leases :		
Not later than one year	285	303
Later than one year but not later than five years	1,145	1,182
Later than five years	209	456
Total	**1,639**	**1,941**
Lease rentals	408	318

20. Revenue from operations

	For the year ended	
	March 31, 2019	March 31, 2018
Service revenue	8,447	3,294
Sale of products	71	53
	8,518	3,347

Disaggregation of Revenue

Revenue is disaggregated by geographical market, major products / service lines and timing of revenue recognition are as follows:

Particulars	For the year ended	
	Data centre and managed services	
Geographical Markets	March 31, 2019	March 31, 2018
India	8,406	3,291
Others	112	56
	8,518	3,347
Major Product/ Services lines		
Data centre and managed services	8,447	3,294
	8,447	3,294
Timing of Revenue Recognition		
Products transferred at a point in time	71	53
Products and services transferred over time	8,447	3,294
	8,518	3,347

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

Contract Balances

The following table provides information about unbilled revenue and deferred revenue from contract with customers

	As of March 31, 2019	As of March 31, 2018
Deferred Revenue	136	302

Significant changes in the deferred revenue balances during the year are as follows:

	For the year ended March 31, 2019	
	Unbilled revenue	Deferred revenue
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	240
Increases due to cash received, excluding amounts recognised as revenue during the period	-	74
Transfers from contract assets recognised at the beginning of the period to receivables	257	-

21. Data centre operating expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Electricity and water	4,673	1,325
Rent	392	303
Repair and maintenance	497	92
Others	285	27
	5,847	**1,747**

22. Employee benefits expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	119	108
Contribution to provident and other funds	7	6
Staff welfare expenses	8	8
Defined benefit plan/ other long term benefits	3	6
Others	-	1
	137	**129**

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22.1 Defined benefit plan / Long-term employee benefits

The details of defined benefit obligations / long-term employee benefits and plan assets are as follows:

	For the Year Ended			
	March 31, 2019		March 31, 2018	
	Gratuity	Compensated absence	Gratuity	Compensated absence
Obligation				
Obligation as at beginning of the year	12	5	23	9
Current service cost	2	2	2	1
Interest cost	1	0	2	1
Benefits paid	(2)	(1)	(11)	(4)
Transfer	7	4	(2)	0
Remeasurements	(1)	(2)	(2)	(2)
Present value of unfunded obligation	**19**	**8**	**12**	**5**
Current portion	**4**	**2**	**2**	**5**
Non-current portion	**15**	**6**	**10**	**0**

The expected contribution for the year ended March 31, 2019 and 2018 for Gratuity plan is Rs. 3.92 and Rs. 2.73 respectively.

Amount recognised in other comprehensive income

	For the year ended	
	March 31, 2019	March 31, 2018
Gains from change in demographic assumptions	(1)	(2)
Re-measurements on Liability	**(1)**	**(2)**

Due to its defined benefit plans, the Company is exposed to the following significant risks:

Changes in bond yields - A decrease in bond yields will increase plan liability.

Salary risk - The present value of the defined benefit plans liability is calculated by reference to the future salaries of the plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The financial (per annum rates) and demographic assumptions used to determine defined benefit obligations are as follows:

	March 31, 2019	March 31, 2018
Discount Rate	7.65%	7.85%
Rate of salary increase	7%	9%
Rate of attrition	21% to 36%	21% to 24%
Retirement age	58	58

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Sensitivity analysis

The Company regularly assesses these assumptions with the projected long-term plans and prevalent industry standards.

The impact of sensitivity due to changes in the significant actuarial assumptions on the defined benefit obligations is given in the table below:

		As of			
		March 31, 2019		March 31, 2018	
For the year ended March 31, 2019	Change in assumption	Gratuity	Compensated absence	Gratuity	Compensated absence
Discount Rate	+1%	(1)	(0)	(0)	(0)
	-1%	1	0	0	0
Salary Growth Rate	+1%	1	0	0	0
	-1%	(1)	(0)	(0)	(0)

The above sensitivity analysis is determined based on a method that extrapolates the impact on the net defined benefit obligations, as a result of reasonable possible changes in the significant actuarial assumptions. Further, the above sensitivity analysis is based on a reasonably possible change in a particular under-lying actuarial assumption, while assuming all other assumptions to be constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

The table below summarises the maturity profile and duration of the gratuity liability:

	As of	
	March 31, 2019	March 31, 2018
Within one year	4	2
Within one - three years	6	4
Within three - five years	4	2
Above five years	5	3
	19	**11**
Weighted average duration (in years)	3.18	3.78

23. Other expenses

	For the year ended	
	March 31, 2019	March 31, 2018
Legal & professional charges#	46	27
Dimunition in value of inventory	30	20
Sales & marketing expense	3	6
Provision for doubtful debts	59	77
Cost of goods sold	100	51
Repair and maintenance	171	212
Security expenses	27	55
Other administrative expense*	97	70
	533	**518**

*Other administrative expenses mainly represent security, rent and consultancy charges.

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#Details of Auditor's remuneration included in legal and professional charges.

	As of	
	March 31, 2019	March 31 2018
Audit fees *	1	1
Reimbursements of expenses	0	0
	1	**1**

*excluding goods and services tax ('GST')

As per the requirements of section 135 of the Companies Act, 2013, the Company is required to spend an amount of Rs. 2 for the year ended March 31, 2019 on corporate social responsibility expenditure. During the year ended March 31, 2019 the company has spent nil towards social corporate responsibility expenditure.

During the year ended March 31, 2018 the company was not required to spend on corporate social responsibility.

24. Depreciation and amortisation

	For the year ended	
	March 31, 2019	March 31, 2018
Depreciation	1,241	567
Amortisation	1	1
	1,242	**568**

25. Finance costs and income

	For the year ended	
	March 31, 2019	March 31, 2018
Finance costs		
Net exchange loss	-	-
Other finance charges	0	0
	0	**0**
Finance income		
Net exchange gain	2	1
Interest income	-	0
	2	**1**

26. Exceptional items

	For the year ended	
	March 31, 2019	March 31, 2018
Bad debts other than normal aging - Aircel	-	49
	-	49

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27. Earnings per share

The details used in the computation of basic and diluted earnings per equity share:

	For the year ended	
	March 31, 2019	March 31, 2018
Weighted average shares outstanding ('000) for basic / diluted EPS	9,018	9,018
Profit for the year	475	238

28. Related Party Transactions

List of related parties

(i) Parent Company

Bharti Airtel Limited

(ii) Ultimate controlling entity (w.e.f. November 3, 2017)

Bharti Enterprises (Holding) Private Limited. It is held by private trusts of Bharti family, with Mr. Sunil Bharti Mittal's family trust effectively controlling the said company.

(iii) Fellow Subsidiaries

Nettle Infrastructure Investment Limited (having significant influence on the Company)

Airtel Payments Bank Limited (ceased to be subsidiary w.e.f. from October 25, 2018)

Bharti Airtel (HK) Limited

Bharti Airtel International (Netherlands) B.V.

Bharti Airtel Services Limited

Bharti Hexacom Limited

Bharti Infratel Limited

Bharti Telemedia Limited

Indo Teleports Limited

Wynk Limited

(iv) Subsidiaries of Fellow Subsidiaries

Airtel (Ghana) Limited

Airtel Congo S.A

Airtel Network Kenya Limited

Airtel Networks Limited

Airtel Tanzania Limited

Airtel Uganda Limited

Airtel Tchad S.A

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Airtel Madagascar S.A.

Airtel Malawi Limited

Airtel Congo (RDC) S.A

Airtel Gabon S.A.

Celtel Niger S.A.

Airtel Networks Zambia Plc

Airtel (Seychelles) Limited

Airtel Rwanda Limited

(v) Joint Venture of Fellow Subsidiary (JV)

Indus Tower Limited

Airtel Payments Bank Limited (w.e.f from October 25, 2018)

(vi) Other related parties*

Beetel Teletech Limited

Bharti Realty Limited (formerly Bharti Realty Private Limited)

Bharti Realty Holdings Limited

Bharti Axa Life Insurance Company Limited

Nile Tech Limited

BSB Portal Limited

Hike Limited

(vii) Key Management Personnel

Krishnan Vidyasagar (w.e.f June 12, 2017)

* **Other Related parties**' though not 'Related Parties' as per the definition under Ind AS 24, "Related party disclosures" have been included by way of a voluntary disclosure, following the best corporate governance practice.

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(All amounts are in millions of Indian Rupee; unless stated otherwise)

The summary of transactions with the above mentioned parties is as follows:

Nature of transaction	For the Year ended							
	March 31, 2019				March 31, 2018			
	Parent Company	Fellow Subsidiaries	Subsidiaries of Fellow Subsidiaries	JV and Other related party	Parent Company	Fellow Subsidiaries	Subsidiaries of Fellow Subsidiaries	JV and Other related party
Rendering of services	7,833	174	34	46	1,959	200	32	22
Receiving of services	362	-	-	-	277	-	-	49
Fund transferred/Expenses incurred on behalf of others	8	-	-	-	1	-	-	-
Expenses incurred on behalf of the Company	48	-	-	118	-	-	-	-
Loans taken	6,730	-	-	-	2,966	-	-	-
Repayment of loans taken	2,403	-	-	-	2,185	-	-	-
Shares issued	-	-	-	-	-	39	-	-
Purchase of business	3,245	1	-	-	-	-	-	-
Purchase of assets	1,033	-	-	-	-	-	-	-

The significant transactions with fellow subsidiaries are as follows: -

Nature of transaction	As of	
	March 31, 2019	March 31, 2018
Rendering of services		
Fellow Subsidiaries		
Bharti Hexacom Limited	55	73
Bharti Telemedia Limited	58	56
Bharti Infratel Limited	27	44

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The outstanding balances are as follows:

Particulars	Parent Company	Fellow Subsidiries	Subsidiaries of Fellow Subsidiaries	JV and Other related party
As of March 31, 2019				
Trade Payables	-	-	0	-
Trade receivables	4,609	229	99	5
Borrowings	8,268	-	-	-
Other financial liabilities	(4,278)	-	-	-
Security deposit (asset)	-	-	-	51
As of March 31, 2018				
Trade payables	84	1	-	-
Trade receivables	674	215	-	30
Borrowings	3,941	-	-	-
Security deposit (asset)	-	-	-	42

Outstanding balances at period end are un-secured and settlement occurs in cash.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director, whether executive or otherwise. Remuneration to key management personnel were as follows:

	For the year ended	
	March 31, 2019	**March 31, 2018**
Short-Term employee benefits	5	5
Post-Employment benefits	0	0
	5	5

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

29. Financial and capital risk

29.1 Financial risk

The business activities of the Company expose it to a variety of financial risks, namely market risks (that is, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's risk management focus on the un-predictability of these elements and seek to minimize the potential adverse effects on its financial performance. Further, the Company uses certain derivative financial instruments to mitigate some of these risk exposure.

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The financial risk management for the Company is driven by the Company's senior management ('CSM'), in close co-ordination with the operating entities and internal / external experts subject to necessary supervision. The Company does not undertake any speculative transactions either through derivatives or otherwise. The CSM are accountable to the Board of Directors ('BOD') and Audit Committee. They ensure that the Company's financial risk-taking activities are governed by appropriate financial risk governance frame work, policies and procedures. The BOD periodically reviews the exposures to financial risks, and the measures taken for risk mitigation and the results thereof.

(i) Foreign currency risk

Foreign exchange risk arises on all recognised monetary assets and liabilities, and any highly probable forecasted transactions, which are denominated in a currency other than the functional currency of the Company. The Company has foreign currency trade payables and receivables. Foreign exchange exposure arises from trade receivables and trade payables denominated in foreign currencies.

The foreign exchange risk management policy of the Company requires it to manage the foreign exchange risk by transacting as far as possible in the functional currency. Moreover, the Company monitors the movements in currencies in which the vendors are payable and manage any related foreign exchange risk, which inter-alia include entering into foreign exchange derivative contracts - as considered appropriate and whenever necessary.

Foreign currency sensitivity

The impact of foreign exchange sensitivity on profit for the year and other comprehensive income is given in the table below:

	Change in currency exchange rate	Effect on profit before tax
For the year ended March 31, 2019		
US Dollars	+5%	14
US Dollars	-5%	(14)
For the year ended March 31, 2018		
US Dollars	+5%	7
US Dollars	-5%	(7)

The sensitivity disclosed in the above table is mainly attributable to, in case of foreign exchange gains / (losses) on translation of USD denominated trade and other receivables and trade and other payables.

The above sensitivity analysis is based on a reasonably possible change in the under-lying foreign currency against the respective functional currency while assuming all other variables to be constant.

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Based on the movements in the foreign exchange rates historically and the prevailing market conditions as at the reporting date, the Company's management has concluded that the above mentioned rates used for sensitivity are reasonable benchmarks.

(ii) Credit risk

Credit risk refers to the risk of default on its obligation by the counter-party, the risk of deterioration of credit-worthiness of the counter-party as well as concentration risks of financial assets, and thereby exposing the Company to potential financial losses.

The Company is exposed to credit risk mainly with respect to trade receivables.

Trade receivables

The trade receivables of the Company are typically non-interest bearing un-secured and derived from sales made to a number of independent customers including group entities. Majority of the revenue is earned from the related parties (refer note 28). The credit period provided by the Company to its customers generally ranges between 0-90 days.

For details of trade receivables from related-parties, refer note 28.

The Company uses a provision matrix to measure the expected credit loss of trade receivables, which comprise of other small balances. Based on the industry practices and the business environment in which the entity operates, management considers the trade receivables are credit impaired individually on case to case basis (except receivables from related parties)

	Neither past due nor impaired (excluding unbilled)	Past due but not impaired				
		Less than 30 days	30 to 60 days	60 to 90 days	above 90 days	Total
Trade Receivables as of March 31, 2019	1,407	1,116	856	385	2,170	5,934
Trade Receivables as of March 31, 2018	905	240	202	182	189	1,718

The Company performs on going credit evaluations of its customers' financial condition and monitors the Credit worthiness of its customers to which it grants credit in the ordinary course of business. Consequently, the allowance for impairment of trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables.

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(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accordingly, as a prudent liquidity risk management measure, the Company closely monitors its liquidity position and deploys a robust cash management system. To manage liquidity risk, the company monitors its net operating cash flows and maintains an adequate level of cash and cash equivalents to finance the Company's operation and mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments: -

	As of March 31, 2019						
Particulars	**Carrying amount**	**On Demand**	**Less than 6 months**	**6 to 12 months**	**1 to 2 years**	**> 2 years**	**Total**
Borrowings	8,268	8,268	-	-	-	-	8,268
Other financial liabilities	4,957	-	4,886	-	-	71	4,957
Trade payables	1,658	-	1,658	-	-	-	1,658
Financial liabilities	**14,883**	**8,268**	**6,544**	**-**	**-**	**71**	**14,883**

	As of March 31, 2018						
Particulars	**Carrying amount**	**On Demand**	**Less than 6 months**	**6 to 12 months**	**1 to 2 years**	**> 2 years**	**Total**
Borrowings	3,941	3,941	-	-	-	-	3,941
Other financial liabilities	3,163	-	152	-	2,948	63	3,163
Trade payables	1,669	-	1,669	-	-	-	1,669
Financial liabilities	**8,773**	**3,941**	**1,821**	**-**	**2,948**	**63**	**8,773**

The following table provides the reconciliation of liabilities whose net cash flow movements are disclosed as part of financing activities of statement of cash flows:

	April 1 '2018	**Cash flows**	**Non cash changes**	**March 31' 2019**
Borrowings	3,941	4,327	-	8,268

	April 1 '2017	**Cash flows**	**Non cash changes**	**March 31' 2018**
Borrowings	3,160	781	-	3,941

29.2 Capital Risk

The Company's objective while managing capital is to safeguard its ability to continue as a going concern (so that it is enabled to provide returns and create value for its shareholders, and benefits for other stakeholders), support business stability and growth, ensure adherence to the covenants and restrictions imposed by lenders and / or relevant laws and regulations, and maintain an optimal and efficient capital structure so as to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares, etc.

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The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements.

	As of	
	March 31, 2019	March 31, 2018
Borrowings	8,268	3,941
Less: Cash and Cash Equivalents	41	8
Net Debt	**8,227**	**3,933**
Equity	468	(6)
Total Capital	**468**	**(6)**
Capital and Net Debt	**8,695**	**3,927**
Gearing Ratio	95%	100%

30. Fair Value of financial assets and liabilities

The category wise details as to the carrying value and fair value of the Company's financial instruments are as follows:

	Level	Carrying value as of		Fair value as of	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
Financial assets					
FVTPL					
Investments	Level 2	4	4	4	4
Amortised cost					
Trade receivables		5,934	1,718	5,934	1,718
Cash and cash equivalents		41	8	41	8
Other financial assets		49	18	49	18
		6,028	1,747	6,028	1,747
Financial liabilities					
Amortised cost					
Borrowings		8,268	3,941	8,268	3,941
Trade payables		1,658	1,669	1,658	1,669
Other financial liabilities		4,957	3,163	4,957	3,163
		14,883	8,773	14,883	8,773

The following methods / assumptions were used to estimate the fair values.

i. The carrying value of trade receivables, trade payable, short term borrowings, other current financial assets and liabilities approximate their fair value mainly due to the short- term maturities of these instruments.

ii. The fair value of non-current financial assets and liabilities is estimated by discounting future cash flows using current rates applicable to instruments with similar terms, currency, credit risk and remaining maturities.

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During the year ended March 31, 2019 and 2018, there were no transfers between Level 1 and Level 2 fair value measurements. None of the financial assets and financial liabilities are in Level 3.

31. The Company earned a profit for the financial year ended March 31, 2019 of Rs. 475 Mn (2017-18: Rs. 238 Mn) and as at that date, the current liabilities exceeded its current assets by Rs. 8,724 Mn (2017-18: Rs. 7,258 Mn) which includes deferred revenue of Rs. 87 Mn (2017-18: Rs. 240 Mn).

Management has undertaken key initiatives to improve the profitability and reduce current assets and liability mismatch. These initiatives include rationalization of pass through charges and cost structure, negotiating the credit terms of capex vendors. Given its profile and past experience; Management expects that it will be able to access various source of funds (viz. banks / shareholders as deemed fit) as and to the extent required.

The financial statements are prepared on the basis of accounting policies applicable to a going concern assumption. In making its assessment, management acknowledges that the ability of the Company to continue as a going concern is dependent on the generation of sufficient profits, positive cash flows and the continued support of shareholders as and when required in the future.

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