



June 3, 2021

BSE Limited  
Listing Department  
P. J. Towers,  
Dalal Street,  
Mumbai – 400 001  
**Scrip Code: 532371**

National Stock Exchange of India Ltd.  
Listing Department  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051  
**Scrip Symbol: TTML**

Dear Sir/Madam,

**Subject: 26<sup>th</sup> Annual Report of the Company for FY 2020-21 - Regulation 34(1) of SEBI LODR**

The 26<sup>th</sup> Annual General Meeting (“AGM”) of the Company will be held on **Monday, June 28, 2021 at 1100 hours (IST)** via Video Conference / Other Audio Visual Means.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the 26<sup>th</sup> Annual Report of the Company along with the Notice of the AGM and other Statutory Reports for the Financial Year 2020-2021, which is also being sent through electronic mode to the Members.


The Annual Report containing the Notice is also uploaded on the Company’s website.

<https://corporate.tatateleservices.com/Downloads/Investor/ttml/26th-annual-report-fy-2020-2021.pdf>

This is for your information and records.

Thanking you,

Yours truly,  
For Tata Teleservices (Maharashtra) Limited

  
Vrushali Dhamnaskar  
Assistant Company Secretary

Encl.: As above

**TATA TELESERVICES (MAHARASHTRA) LIMITED**

Registered Office : D-26, TTC Industrial Area, MIDC Sanpada, P.O. Turbhe, Navi Mumbai, Maharashtra, 400 703

Tel: 91 22 6661 5111 | Fax: 91 22 6660 5517 | Email : [investor.relations@tatatel.co.in](mailto:investor.relations@tatatel.co.in)

Website: [www.tatateleservices.com](http://www.tatateleservices.com) | CIN: L64200MH1995PLC086354

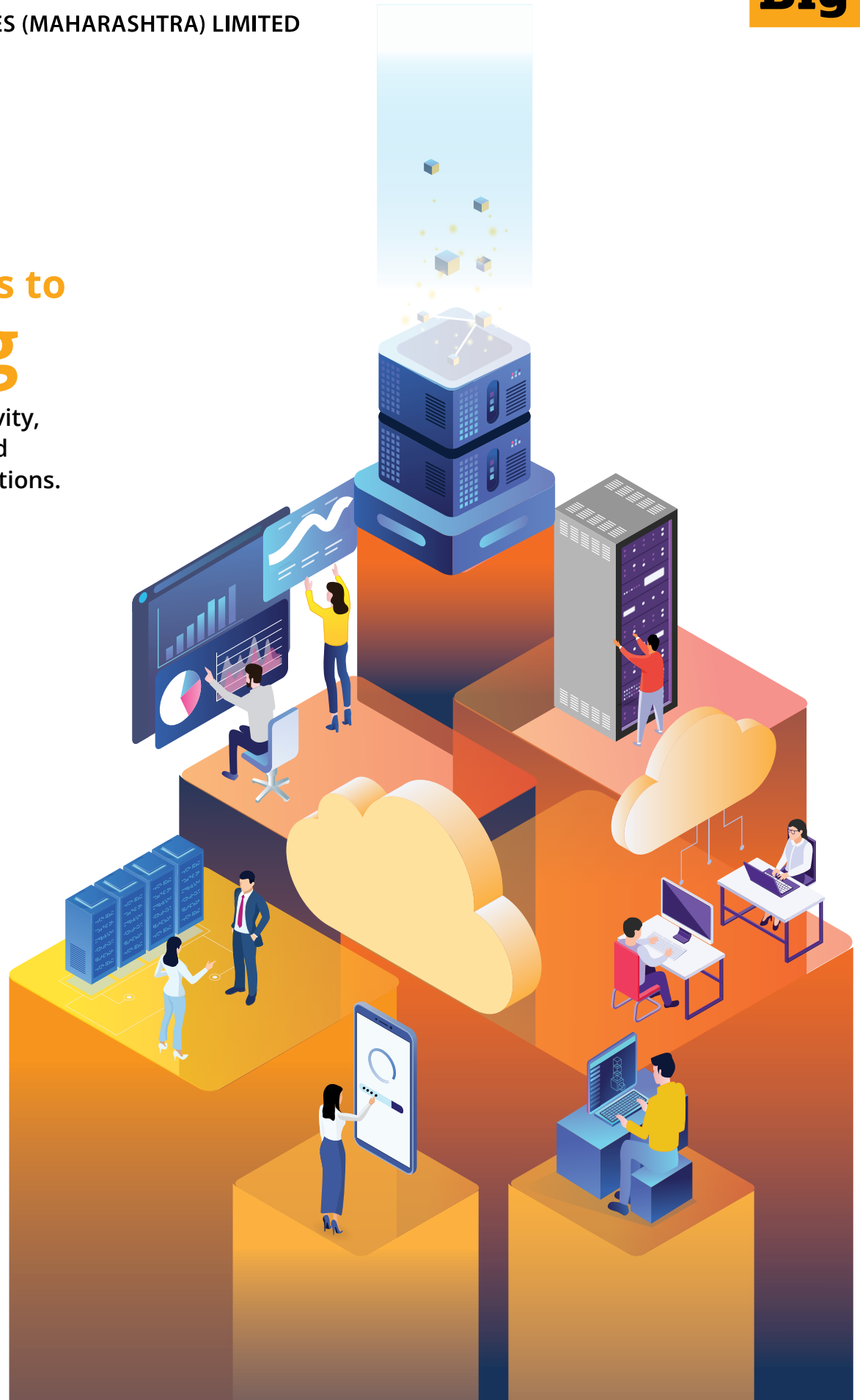


**TATA** TELESERVICES (MAHARASHTRA) LIMITED



# Enabling Enterprises to Do Big

Through connectivity,  
security, cloud and  
collaboration solutions.



ANNUAL REPORT  
2020-21

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In a world navigating through large-scale disruption and rapid change, enterprises are accelerating their digital transformation by several years to survive and thrive in the new normal. With our connectivity, security, cloud and collaboration offerings, we have been enabling businesses to simplify the transition effectively. Our deep understanding of businesses is reflected in our wide array of innovative products which drive digital inclusion.

As the coronavirus pandemic altered the very way people work and interact, we empowered our customers to seamlessly move to a remote working environment, facilitating a culture of collaboration for today's anytime, anywhere, any device workforce. The expanding digital ecosystem, however, has brought in more pervasive cyber security risks. We are enabling our customers to harness the power of digital technologies and build a more connected and secure future.



## Who we are

Tata Teleservices (Maharashtra) Limited (TTML) is a leading player in the connectivity and communication solutions market for enterprise customers. With services ranging from connectivity, collaboration, cloud, security, IoT and marketing solutions, we offer a comprehensive portfolio of ICT services for businesses in India under the brand name Tata Tele Business Services (TTBS).

TTBS provides integrated telecom solutions to small, medium & large enterprises which go beyond the purview of connectivity into offering one-stop-shop business solutions and managed services. Our solutions allow enterprises to be resilient and maintain business continuity in a flexible, scalable and secure manner.

We have a progressive approach of partnering with SMEs as technology enablers and subject matter experts to bring them at par with the fast-evolving tech landscape. Our objective is to provide products and services that significantly impact the competitiveness of our customers and enable them to DO BIG. We deliver customer delight with solutions through deeper understanding of unique customer needs.

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**Our solutions allow enterprises to be resilient and maintain business continuity in a flexible, scalable and secure manner.**

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## Our promise



## Board of Directors

Our Board steers the business towards sustainable growth, with the objective of mutual growth of our customers and company's long-term goals.



**Ms. Hiroo Mirchandani**

*Independent Director*

Ms. Mirchandani has experience of nine diverse boards including Nilkamal Ltd., Punjab National Bank Ltd., Polycab India Ltd. DFM Foods Ltd. and Care Health Insurance Ltd. Prior to her career on boards, she has held management roles for over thirty years in P&L, Marketing and Sales primarily in Consumer Goods and Healthcare sectors. She progressed from being a Branch Manager at Asian Paints to Business Unit Director and Executive Council member at Pfizer. She has also held leadership positions at Dabur and World Gold Council. Ms. Mirchandani is a Chevening Gurukul Scholar from the London School of Economics, an MBA in Marketing and Finance from the Faculty of Management Studies, and a graduate from Shri Ram College of Commerce, New Delhi. She chairs the Audit Committee of Tata Teleservices (Maharashtra) Ltd. and has played an effective role on the Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholder Relationship Committee and other committees of various boards.



**Mr. Kumar Ramanathan**

*Independent Director*

Mr. Ramanathan is a Founder of Positive Integers Pvt. Ltd., a decision science company, and has been spearheading this company since inception. Currently, he is holding the position of CEO in Positive Integers. Earlier he was holding the position of Director – Analytics and Commercial, Vodafone AMEAP region and as Chief Marketing Officer of Vodafone India. Prior to that he was the Unit Manager – Pepsico India Holdings. Mr. Ramanathan, has a Masters Degree in Commerce from Delhi School of Economics and a Management Degree from IIM, Ahmedabad. He currently serves on the boards of companies like Thirumeni Finance Pvt. Ltd., Tata Communications Payment Solutions Pvt. Ltd., Positive Integers Pvt. Ltd., Tata Communications Transformation Services Ltd., Cartology Pvt. Ltd. and Tata Teleservices (Maharashtra) Ltd.



**Dr. Narendra Damodar Jadhav**

*Independent Director*

Dr. Jadhav is a renowned author, economist, educationist, social scientist and public speaker. He currently serves as a Member of Parliament (Nominated to Rajya Sabha by Hon President of India), and visiting faculty at four distinguished universities. Dr. Jadhav, in his four decades of public service, has served in key positions as Member of the Planning Commission and the National Advisory Council. He has also held the position of Vice-Chancellor at University of Pune and Principal Adviser and Chief Economist, Reserve Bank of India (RBI). During his 31-year association with the RBI, he also served in Advisory capacities at International Monetary Fund (IMF) and Governments of Afghanistan and Ethiopia. Dr. Jadhav holds a PhD in Economics from Indiana University, USA and has penned or edited 43 books, numerous reports and research papers. He is a recipient of 70 national and international awards, including four Honorary D-Litt Degrees, and the title of the Commander of the Order of Academic Palmes by the Government of France. He currently serves on the boards of companies like Jain Irrigation Systems Ltd., Sustainable Agro-commercial Finance Ltd., Dhani Services Ltd., Dhani Loans and Services Ltd., Tata Teleservices Ltd. and Tata Teleservices (Maharashtra) Ltd.



**Mr. Ankur Verma**

*Non-Executive Director*

Mr. Verma has around 16 years of experience in Investment Banking, Capital Markets and Corporate Strategy. He is the Senior Vice President, Chairman's Office at Tata Sons Pvt. Ltd. Previously, he was Managing Director (Investment Banking Division) in Bank of America Merrill Lynch, and also Group Manager & Head, Business Planning in Infosys Technologies Limited - Corporate Planning Group. Mr. Verma has PGDM from IIM, Calcutta, and is a B.E. in Mechanical Engineering. He currently serves on the boards of companies like Tata Capital Housing Finance Ltd., Tata Elxsi Ltd., Tata AutoComp Systems Ltd., Tata Sky Ltd., Tata Teleservices Ltd. and Tata Teleservices (Maharashtra) Ltd.



**Mr. N. Srinath**

*Non-Executive Director*

Mr. Srinath joined the Tata Administrative Services in 1986. He has held positions in Project Management, Sales & Marketing, and Management in different Tata companies in the ICT sector over the past 35 years. Under his leadership, Tata Communications transformed from a monopoly, public sector undertaking into a global communications services provider offering advanced network, managed and cloud services to customers worldwide. In 2008 and 2009, Mr. Srinath was named as the world's eighth most influential telecom personality by the Global Telecoms Business magazine, as well as the 'Telecom Person of the Year' by the India-based Voice and Data magazine in 2008. He has a degree in Mechanical Engineering from IIT Chennai and a Management Degree from IIM Calcutta, specialising in Marketing and Systems. Mr. Srinath has joined as CEO of Tata Trusts with effect from April 1, 2020. He currently serves on the boards of companies like Tata Communications Ltd., Tata Industries Ltd. Tata Teleservices Ltd. and Tata Teleservices (Maharashtra) Ltd.



**Mr. Thambiah Elango**

*Non-Executive Director*

Mr. Elango was working as President (Consumer Business) with Tata Teleservices Ltd. Prior to joining Tata Teleservices in 2010, he has worked with various organisations like Bharti Airtel, Titan Industries, etc. He holds a post graduate diploma in Management from the Indian Institute of Management, Bangalore, and a bachelor's degree in Engineering (Mechanical Engineering) from College of Engineering, Guindy, Chennai. He is also the founder of an NGO, 'The Ganga Foundation', which focuses on improving the life of the Spinal injured people. He currently serves on the boards of companies like Savadika Retail Pvt. Ltd. and Tata Teleservices (Maharashtra) Ltd.

## Our Response to COVID-19

The COVID-19 pandemic has caused unprecedented disruption, affecting physical and financial health of millions globally. At TTML we ensured safety and well-being of our employees. We also undertook multiple customer-centric initiatives to enable their business continuity with minimal disruption.

### Ensuring safety and well-being of our employees

We ensured the safety of our employees by strictly following the government guidelines in each of our offices. We launched SABAL, a company sponsored employee assistance program, which enabled Online/Telephone counselling, along with face-to-face counselling and enabled "Doctor on Call" facility for our employees and their family members.

With a specific employee safety and well-being policy, comprising of guidelines and standardised practices, based on robust processes, we formalised COVID Standard Operating Procedure and deployed it across all our locations. Special web-based training on COVID-19 awareness has also been imparted to on-roll employees.

### Customer-centric initiatives

We have ensured that all our critical processes, including service delivery and service assurance, function seamlessly through a mix of remote operations, use of digital tools and field engagements, wherever required. We have also augmented our Internet Gateway capacities in the initial days of the lockdown to ensure that our customers do not encounter a crunch whenever additional bandwidth is needed. We have received multiple appreciations from our customers about our service, network and how we have ensured continuity and quality during the COVID-19 lockdown. This has strengthened our teams' resolve to further scale up our efforts.

### Developing pioneering products and services

The pandemic gave rise to remote working environments and we made sure our customers were well equipped for this transition. We addressed the evolving needs of our customers with solutions to make their remote working experience pleasant, and to maintain business continuity while not compromising on efficiency and productivity.

Some of our prominent product launches are as below:



#### Smartflo

It is an anytime, anywhere, flexible suite of advanced cloud communication solutions for enterprises. It has been innovatively designed to support the new hybrid work culture. It allows uninterrupted connectivity between all stakeholders, internally within employees and externally with customers and vendors across platforms and touch points.

#### Comprehensive Cyber Security Portfolio

With the proliferation of digital ecosystems, and as the industry moves towards a digital 'new normal', cyber security incidents are becoming more pervasive. We launched a comprehensive security portfolio comprising of email security, endpoint security, web security, virtual firewall, and multifactor authentication to address these emerging needs of security solutions.

#### Smart Internet Leased Line

We launched Smart Internet Leased Line to resolve the customers' need of secure remote access in a distributed work environment. We bundled the best of internet and security features with convenience of manageability. It is a one-stop solution for customers' needs of bandwidth, manageability and security, while working from home.

#### Ultra-Lola 3.0

This is a technologically superior point-to-point offering, with latency in microseconds, which enables brokerage/financial institutions to process market data in real time.

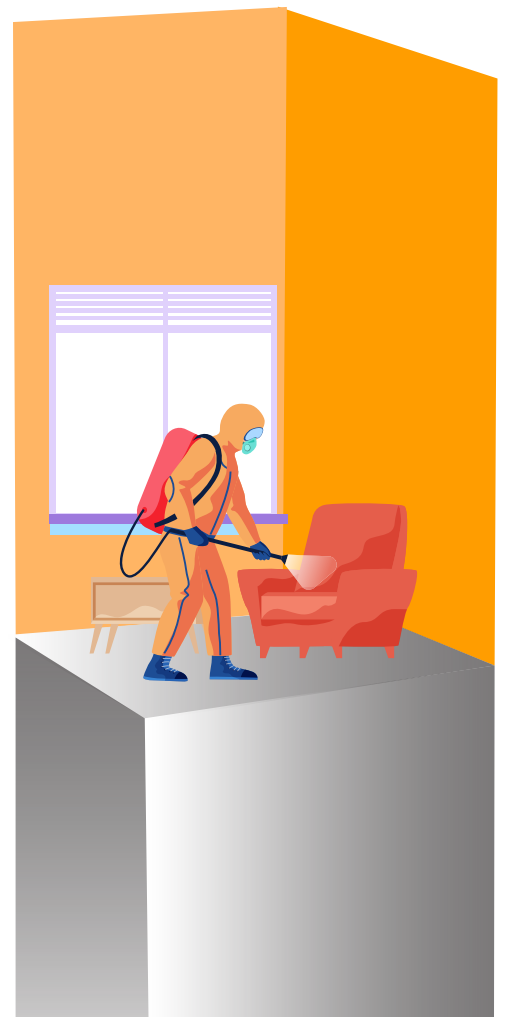
#### Hub Connect

It is a unique high speed, cloud ready, secure, private and reliable point to

multi-point connectivity, enabling cloud connect to prominent cloud service providers in a cost-effective manner with faster delivery timelines.

#### Collaboration Solutions

To address the continuous shift in modern workplace, where employees expect more openness, collaboration and flexibility in how they stay connected, we launched a host of plug and play collaboration solutions, such as web conferencing solutions, hosted interactive voice response ('HIVR'), and international bridging services ('IBS').





## Awards and Accolades

Our work excellence has been recognised and felicitated by the industry with numerous awards.





**TATA TELESERVICES (MAHARASHTRA) LIMITED**

## Year on Year Performance - Last Ten Years

Particulars	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017**	2015-2016**	2014-2015	2013-2014	2012-2013	2011-2012
Income from Telecommunication	1,023.98	1,052.62	1,246.40	1,843.15	2,657.42	2,915.12	2,836.69	2,649.43	2,608.16	2,470.25
Earnings Before Interest, Depreciation, Tax and Amortisation	500.15	432.30	702.40	170.42	712.65	815.78	646.46	614.30	500.63	548.83
Profit/(Loss) before Extraordinary/ Exceptional Items and Tax	(1,216.88)	(1,283.83)	(998.70)	(1,900.37)	(1,397.65)	(358.34)	(615.25)	(560.08)	(658.77)	(517.55)
Extraordinary/ Exceptional Items	(779.81)	(2,430.28)	331.11	(7,941.67)	(958.82)	-	-	-	-	-
Profit/(Loss) after tax ***	(1,996.69)	(3,714.11)	(667.59)	(9,841.99)	(2,356.47)	(358.34)	(615.25)	(560.08)	(658.77)	(517.55)
End of Period Subscribers (Nos. in Thousands)	714	804	2,807	6,056	8,682	10,702	11,119	10,578	10,534	14,127

\*\* Financial figures are as per Ind AS

\*\*\* Profit/(Loss) after tax figures are before Other Comprehensive Income (OCI)

## CORPORATE DETAILS

### BOARD OF DIRECTORS

**Ms. Hiroo Mirchandani**  
**Mr. Kumar Ramanathan**  
**Dr. Narendra Damodar Jadhav**  
**Mr. Ankur Verma**  
**Mr. N. Srinath**  
**Mr. Thambiah Elango**

- Independent Director
- Independent Director
- Independent Director
- Non-Executive Director
- Non-Executive Director
- Non-Executive Director

### KEY MANAGERIAL PERSONNEL

Mr. Harjit Singh  
Mr. Kush S. Bhatnagar  
Ms. Vrushali Dhamnaskar

- Chief Executive Officer
- Chief Financial Officer
- Assistant Company Secretary

### INVESTOR SERVICES

- Mr. Hiten Koradia  
Manager – Secretarial  
e-mail: [investor.relations@tatatel.co.in](mailto:investor.relations@tatatel.co.in)

### STATUTORY AUDITORS

### INTERNAL AUDITORS

- M/s. Price Waterhouse Chartered Accountants LLP
- ANB Solutions Private Limited  
Ernst & Young LLP

### REGISTRAR & SHARE TRANSFER AGENTS

(effective March 1, 2021)

TSR Darashaw Consultants Private Limited  
C 101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg,  
Vikhroli (West), Mumbai - 400 083.  
Tel.: +91 22 6656 8484  
Fax: +91 22 6656 8494  
Email: [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in)  
Website: <https://www.tcplindia.co.in>

### REGISTERED OFFICE

- D-26, TTC Industrial Area, MIDC Sanpada, P.O. Turbhe,  
Navi Mumbai – 400 703, Maharashtra

### CORPORATE IDENTITY NUMBER (CIN)

- L64200MH1995PLC086354

### LIST OF BANKS AND FINANCIAL INSTITUTIONS

- Axis Bank Ltd
- Bank of India
- Canara Bank
- Citibank
- Deutsche Bank
- HDFC Bank
- ICICI Bank
- IDBI Bank
- IndusInd Bank Ltd.
- Aditya Birla Sun life AMC Ltd.
- HDFC Asset Management Co. Ltd.
- ICICI Prudential Asset Management Co. Ltd.
- Jammu & Kashmir Bank
- Oriental Bank of Commerce
- Punjab National Bank
- RBL Bank Ltd.
- Standard Chartered Bank
- State Bank of India
- UCO Bank
- Union Bank of India
- Yes Bank Ltd.
- Axis Mutual Fund
- Tata Asset Management Ltd.

### FINANCIAL INSTITUTION

Twenty Sixth Annual General Meeting of Tata Teleservices (Maharashtra) Limited will be held on Monday, June 28, 2021 at 1100 hours through Video Conferencing facility or Other Audio Visual Means

The Annual Report can be accessed at the Company's website [www.tatateleservices.com](http://www.tatateleservices.com)

## NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of Tata Teleservices (Maharashtra) Limited (the "Company") will be held on **Monday, June 28, 2021 at 1100 hours (IST)** through Video Conferencing facility or Other Audio Visual Means to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Thambiah Elango (DIN: 07973530), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 3. Ratification of remuneration of Cost Auditors

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 1,80,000/- (Rupees One Lakh Eighty Thousand Only), plus applicable tax and actual out of pocket expenses not exceeding 10% of the remuneration incurred in connection with the audit, payable to M/s. Sanjay Gupta & Associates, Cost Accountants, having Firm Registration Number 000212, who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the financial year 2021-2022."

#### 4. Material Related Party Transactions

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members of the Company be and are hereby accorded to the material related party transactions/proposed transactions to be entered into between the Company and Tata Communications Limited, a related party, relating to rendering or availing of services, sharing of infrastructure, and sharing of costs for an aggregate value upto ₹ 235 Crores (Rupees Two Hundred and Thirty-Five Crores Only) per annum for the financial year 2021-2022, financial year 2022-2023 and financial year 2023-2024."

By order of the Board  
For **Tata Teleservices (Maharashtra) Limited**

**Vrushali Dhamnaskar**  
**Assistant Company Secretary**  
(ACS 28356)

#### Registered Office:

D-26, TTC Industrial Area,  
MIDC Sanpada, P.O. Turbhe,  
Navi Mumbai - 400 703.  
Tel.: 91 22 6661 5111  
Fax: 91 22 6660 5517  
CIN: L64200MH1995PLC086354  
Website: [www.tatateleservices.com](http://www.tatateleservices.com)  
e-mail: [investor.relations@tatatel.co.in](mailto:investor.relations@tatatel.co.in)

Place: Mumbai

Date: June 1, 2021

### Notes:

1. In view of the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to "Clarification on holding of Annual General Meeting ("AGM") through video conferencing ("VC") or other audio visual means ("OAVM")" read with General Circular No. 14/2020 dated April 8, 2020, the General Circular No. 17/2020 dated April 13, 2020, General Circular No. 33/2020 dated September 28, 2020 and General Circular No. 39/2020 dated December 31, 2020 in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19" and General Circular No. 02/2021 dated January 13, 2021 (collectively referred to as "MCA Circulars") and SEBI vide its circular dated May 12, 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic" and circular dated January 15, 2021 ("SEBI Circulars"), permitted the holding of the AGM through VC/OAVM, without the physical presence of the Members at a common venue. In

compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars and SEBI Circulars, the 26<sup>th</sup> AGM of the Company is scheduled to be held through VC/OAVM on **Monday, June 28, 2021 at 1100 hours (IST). The deemed venue for the 26<sup>th</sup> AGM will be the Registered Office of the Company** at D-26, TTC Industrial Area, MIDC Sanpada, P.O. Turbhe, Navi Mumbai – 400 703, Maharashtra.

2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF THIS AGM ARE NOT ANNEXED TO THIS NOTICE.**

3. Institutional Investors, who are Members of the Company, are encouraged to attend the 26<sup>th</sup> AGM through VC/OAVM facility and vote through remote e-voting facility. Institutional Investors and Corporate Members intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case maybe, to attend the AGM through VC/OAVM or to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutiniser by e-mail at [evoting@mehta-mehta.com](mailto:evoting@mehta-mehta.com) with copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. As per the provisions of Clause 3.A.II of the General Circular No. 20/2020 dated May 5, 2020, the matters of Special Business as appearing at Item No. 3 and 4 of the Notice, are considered to be unavoidable by the Board and hence, forming part of this Notice.
6. The Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 3 and 4 of the Notice, are annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is also annexed. Requisite declarations have been received from the Director for seeking re-appointment.
7. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings by logging into the National Securities Depository Limited's ("NSDL") e-Voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.
8. In line with the MCA Circulars and SEBI Circulars, the Notice of the 26<sup>th</sup> AGM along with the Annual Report for financial year 2020-2021 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 26<sup>th</sup> AGM and the Annual Report for financial year 2020-2021 has been uploaded on the website of the Company i.e., [www.tatateleservices.com](http://www.tatateleservices.com) and may also be accessed on the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of NSDL i.e., [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
9. As per Regulation 40 of the Listing Regulations, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with the physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form by contacting their Depository Participants ("DPs"). Members can contact the Company's Registrar and Share Transfer Agent, TSR Darashaw Consultants Private Limited (formerly known as TSR Darashaw Limited) ("Registrar") at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) for assistance in this regard.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the Registrar at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) in case the shares are held in physical form, quoting their folio no. Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form SH-14. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the Registrar at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) in case the shares are held in physical form, quoting your folio no.
12. The format of the Register of Members prescribed by the MCA under the Act requires the Company/Registrar to record additional details of Members, including their PAN details, email address, bank details for payment of dividend, etc. A form for capturing these additional details is appended at the end of this Notice. Members holding shares in physical form are requested to submit the filled-in form to the Company at [investor.relations@tatatel.co.in](mailto:investor.relations@tatatel.co.in) or to the Registrar in physical after restoration of normalcy or in electronic mode at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in), as per the instructions mentioned in the form. Members holding shares in electronic form are requested to submit the details to their respective DP only and not to the Company or Registrar.
13. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Registrar, the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificate will be returned to such Members after making requisite changes.
14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e., Monday, June 28, 2021. Members seeking to inspect such documents can send an email to [investors.relations@tatatel.co.in](mailto:investors.relations@tatatel.co.in).
15. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company, or their DP as the case may be, of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.
16. To support the 'Green Initiative', and also to receive the copies of AGM notice in case of AGM through VC/OAVM and other communication from the Company. Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Registrar in case the shares are held by them in physical form.

17. **Process for registering email addresses to receive this Notice of AGM and Annual Report electronically and cast votes electronically:**

(i) **Registration of email addresses with Registrar:** The Company has made special arrangements with Registrar for registration of e-mail addresses of those Members (holding shares either in electronic or physical form) whose email address are not registered in their account/folio and who wish to receive this Notice electronically and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company/DPs are required to provide the same to Registrar on or before 1700 hours IST on **Monday, June 21, 2021**. Process to be followed for registration of e-mail address is as follows:

- Visit the link <https://tcpl.linkintime.co.in/EmailReg/EmailRegister.html>
- Select the company name viz. **Tata Teleservices (Maharashtra) Limited**
- Enter the DP ID & Client ID / Physical Folio Number, Name of the Member and PAN details. Members holding shares in physical form need to additionally enter one of the share certificate numbers.
- Enter Mobile No and email id and click on Continue button.
- System will send OTP on Mobile and Email Id.
- Upload:
  - Self-attested copy of PAN card &
  - Address proof viz. Aadhar Card, passport or front and back side of share certificate in case of Physical folio.
- Enter the OTP received on Mobile and Email Address.
- The system will then confirm the e-mail address for receiving this AGM Notice.

After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Annual Report for financial year 2020-2021 along with the e-Voting user ID and password. In case of any queries, Members may write to [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

(ii) **Registration of e-mail address permanently with the Company / DP:** Members are requested to register the same with their concerned DPs, in respect of electronic holding and with Registrar, in respect of physical holding by writing to them at [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in). Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs/Registrar to enable servicing of notices / documents / Annual Reports and other communications electronically to their e-mail address in future.

(iii) Alternatively, those Members who have not registered their email addresses are required to send an email request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) along with the following documents for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this Notice:

- In case shares are held in **physical mode**, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card.

- In case shares are held in **demat mode**, please provide DPID-Client ID (8 digit DPID + 8 digit Client ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card.

- Pursuant to the provisions of Section 108 of the Act read with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations and the MCA Circulars and SEBI Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-voting system as well as remote e-voting during the AGM will be provided by NSDL.
- Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of **Monday, June 21, 2021** may cast their vote by remote e-Voting. **The remote e-voting period commences on Friday, June 25, 2021 (0900 hours IST) and ends on Sunday, June 27, 2021 (1700 hours IST).** The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e., **Monday, June 21, 2021**.
- The Members will be provided with the facility for voting through electronic voting system during the video conferencing proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-voting, will be eligible to exercise their right to vote during such proceedings of the AGM. Members who have cast their vote by remote e-voting prior to the AGM will also be eligible to participate at the AGM but shall not be entitled to cast their vote again on such resolution(s) for which the Member has already cast the vote through remote e-voting.
- A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting before the AGM as well as remote e-voting during the AGM. Any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date, i.e., **Monday, June 21, 2021**, may obtain the User ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of remote e-voting facility for all those Members who are present during the AGM through VC/OAVM but have not cast their votes by availing the remote e-voting facility. The remote e-voting facility during the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the AGM.
- The Board has appointed Mr. Atul Mehta (Membership No. FCS 5782/CP No. 2486) failing him, Ms. Dipti Mehta (Membership No. PCS 3776/CP No. 23905) failing her, Ms. Ashwini Mohit Inamdar (Membership No. FCS 9409/CP No. 11226) Partners, M/s. Mehta & Mehta, Practicing Company Secretaries as the Scrutiniser to



- scrutinise the e-voting during the AGM and remote e-voting process in a fair and transparent manner.
24. At the twenty-second AGM held on July 31, 2017 the Members approved appointment of Price Waterhouse Chartered Accountants LLP, (Firm Registration No. 012754N/N500016) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the twenty-seventh AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of Statutory Auditors for ratification by Members at every AGM has been done away with by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at this AGM.
25. The Scrutiniser shall, immediately after the conclusion of e-voting at the AGM, make, not later than 48 hours from the conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or any other Director authorised in this behalf, who shall countersign the same.
26. The results of voting along with the Scrutiniser's Report shall be placed on the Company's website [www.tatateleservices.com](http://www.tatateleservices.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately on receipt of the Scrutiniser's Report. Simultaneously, the same will also be communicated to the BSE Limited and National Stock Exchange of India Limited, where the equity shares of the Company are listed.
27. Instructions for attending the AGM through VC/OAVM and for remote e-voting (before and during the AGM) are given below.

### (A) Instructions for E-Voting before / During the AGM

#### Instructions for Remote E-Voting

The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:

#### Step 1: Log-in to NSDL e-Voting system

#### I. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

Pursuant to SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>On the e-Services home page, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section.</li> <li>This will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value Added Services.</li> <li>Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page.</li> <li>Click on the company name or e-Voting service provider i.e., NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>
	<b>e-Voting website of NSDL</b> <ol style="list-style-type: none"> <li>Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.</li> <li>A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

#### NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e., NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility.</li> <li>Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

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

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

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

**II. Login method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile device.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.
- Your User ID details will be as per details given below :
  - For Members who hold shares in demat account with NSDL: 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
  - For Members who hold shares in demat account with CDSL: 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).

- For Members holding shares in Physical Form: EVEN Number followed by Folio Number registered with the Company (For example if folio number is 001\*\*\* and EVEN is 101456, then user ID is 101456001\*\*\*).

- Your password details are given below:
  - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered (refer Note No. 17 of this Note).



6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a. Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. “Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically on NSDL e-Voting system and join AGM**

### **How to cast your vote electronically on NSDL e-Voting system and join AGM ?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN 116054” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## **(B) INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM**

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of the AGM provided by NSDL at <https://www.evoting.nsdl.com> following the steps mentioned above for access to NSDL e-Voting system. After successful login, you can see link of VC / OAVM placed under Join General meeting menu against company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu.

Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in this Notice to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.

2. The Members may join the AGM through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use internet with a good speed to avoid any disturbance during the AGM. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
3. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the 26<sup>th</sup> AGM, from their registered email address, mentioning their name, DP ID and Client ID/Folio Number and mobile number, to reach the Company’s e-mail address at [investor.relations@tatatel.co.in](mailto:investor.relations@tatatel.co.in) before 1500 hours (IST) on Thursday, June 24, 2021. Queries that remain unanswered at the AGM will be appropriately responded by the Company at the earliest post the conclusion of the AGM.
4. Members who would like to express their views or ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/Folio Number, PAN, Mobile Number at [investor.relations@tatatel.co.in](mailto:investor.relations@tatatel.co.in) between Monday, June 21, 2021 (0930 hours IST) to Thursday, June 24, 2021 (1700 hours IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
5. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/1800-222-990 or contact Ms. Pallavi Mhatre, Manager – NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / +91 22 24994545.

### **General Guidelines for Members:**

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
2. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for Members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4<sup>th</sup> Floor, ‘A’ Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / Tel: 1800 1020 990 / 1800 224 430.

## Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

### Item No. 3

The Board of Directors at its meeting held on April 26, 2021, on the recommendation of the Audit Committee, has approved the appointment of M/s. Sanjay Gupta & Associates (Firm Registration Number 000212) as Cost Auditors for auditing the cost accounting records in respect of the services covered under the Companies (Cost Records and Audit) Rules, 2014 of the Company for the financial year 2021-2022 at a remuneration of ₹ 1,80,000/- (Rupees One Lakh Eighty Thousand Only) plus applicable tax and actual out of pocket expenses not exceeding 10% of the remuneration incurred in connection with the said audit.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, remuneration of Cost Auditor of the Company is required to be ratified and approved by the Members of the Company. Accordingly, the consent of the Members by way of an Ordinary Resolution is sought for the ratification of the remuneration payable to M/s. Sanjay Gupta & Associates, Cost Accountants.

M/s. Sanjay Gupta & Associates, Cost Accountants, have certified that they are eligible for appointment as Cost Auditors, free from any disqualifications, are working independently and maintaining arm's length relationship with the Company.

The Board commends the Ordinary Resolution at Item No. 3 of the Notice for ratification and approval by the Members.

None of the Directors, Key Managerial Personnel and/or their respective relatives are in any way concerned or interested, financially or otherwise, in the Resolution mentioned at Item No. 3 of the Notice.

### Item No. 4

Tata Teleservices (Maharashtra) Limited ("TTML"/the "Company") provides telecommunication services to its subscribers in Mumbai, Rest of Maharashtra and Goa. Tata Communications Limited ("TCL") is a global company which enables the digital transformation of enterprises globally, unlocking opportunities for businesses by enabling borderless growth, boosting product innovation and customer experience, improving productivity and efficiency, building agility and managing risk. With its solutions orientated approach, proven managed service capabilities and cutting-edge infrastructure, TCL drives the next level of intelligence powered by cloud, mobility, Internet of Things (IoT), collaboration, security and network services. TCL carries around 30% of the world's internet routes and connects businesses to 60% of the world's cloud giants. To enjoy economies of scale and savings in estimated cost, the Company and TCL have entered into various arrangements, to share costs of certain shared central services, network assets and other infrastructure / resources.

In addition, TCL being National Long Distance ("NLD") service operator TTML has entered into an agreement with TCL for routing the traffic through their NLD network. TTML has also entered into similar agreements with other NLD operators.

TTML and TCL propose to continue with the aforesaid agreements/ arrangement in the future also.

Under the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), all Related Party Transactions require prior approval of the Audit Committee and all material Related Party Transactions require approval of the shareholders of the Company by an Ordinary Resolution. A transaction with a related party shall be considered material, if the transaction / transactions to be entered into individually or taken together with previous transactions during a

financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. TCL and its subsidiaries have become subsidiary of Tata Sons Private Limited effective from March 18, 2021. TCL and TTML, both being subsidiaries of Tata Sons Private Limited are regarded as related party as per Regulations 2(zb) of the Listing Regulations.

The transactions between TTML and TCL include the following:

- a. Internet Leased Line Charges: The charges are based on volumes and TCL & TTML offer each other competitive market rates.
- b. Interconnect Usage Charges (Carriage): The charges are based on volumes and TCL & TTML offer each other competitive market rates.
- c. Interconnect Usage Charges (Termination): These charges are prescribed by TRAI from time to time and are followed by all the telecom operators in India.
- d. Lease Line Bandwidth Charges & Last Mile Lease Bandwidth Charges: The charges are based on volumes and TCL & TTML offer each other competitive market rates.
- e. O&M Service Charges – IRU: The charges are based on volumes and TCL & TTML offer each other competitive market rates.
- f. Infrastructure Sharing & Co-Building Charges: Leasing of properties from TCL are based on valuation of the properties or at the rates at which TCL had given to other parties on lease.
- g. Synergy LE (Large Enterprises): These charges are based on the actual cost incurred and are charges on cost to cost basis without markup.
- h. Hosted Call Centre Services: These charges are allocated on the basis of revenue share of TTML.
- i. Recovery and Allocation of Costs: Sharing of common resources is based on "Various Ratios" such as Subscriber Ratio, Revenue Ratio and Reimbursement of Actual cost without Mark-up.
- j. Infrastructure Income (recovery): Leasing of properties to TCL are based on valuation of the properties or at the rates at which TTML had given to other parties on lease.
- k. Purchase of Assets & Inventory: Transaction Values are based on original procurement price as billed by independent third parties or such prices adjusted for depreciation without any markup.
- l. Synergy SME Business partner (Small & Medium Enterprises): TTML renders similar services to its own SME customers and to TCL SME customers. The services rendered are comparable @ gross profit margin level for Arm's Length testing.
- m. Service Income: Income from provision of services is comparable with that offered by TTML to other similar offerings to other customers.
- n. Rent Income & Related Recovery: Leasing of properties to TCL based on valuation of the properties or at the rates at which TTML had given to other parties on lease.
- o. Other Income IRU O&M Income: The charges are based on volumes and TCL & TTML offer each other competitive market rates.

Transactions are in nature of Revenue, Operation Costs and Capital Expenditures for TTML.

Further, TTML also benefits from the synergy on integrated marketing strategy and optimum utilisation of knowledge, skill and experience from TCL, which would not have otherwise been available to TTML if such arrangements were not in place.

The value of the transactions with TCL, in respect of next three financial years FY 2021-2022, FY 2022-2023 and FY 2023-2024 is estimated to be not exceeding ₹ 235 Crores (Rupees Two Hundred and Thirty-Five Crores only) per annum, which exceeds the materiality threshold limit. Hence, the transactions are required to be approved by the shareholders. These transactions are in the ordinary course of business of the Company

and on arm's length basis. Prior approval of the Audit Committee has been received for the same.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

Pursuant to Regulation 23 of the Listing Regulations, all the related parties i.e., all entities falling under definition of related parties as per Regulation 23 of the Listing Regulations, whether the entity is a party to the particular transaction or not, would not be eligible to vote on the Resolution No. 4.

The shareholding (including Preference Share Capital, if any) of the Promoters of TTML in TCL is given below:

Sr. No.	Name of Company/Body Corporate	Category (in relation to TTML)	Shareholding in TCL (Including Preference Capital) Percentage (%)
1	Tata Sons Private Limited	Promoter	14.07%

None of the Directors, Key Managerial Personnel or their respective relatives are, in any way, concerned or interested, financially or otherwise in the said resolution mentioned at Item No. 4 of the Notice. Further, Mr. N. Srinath, Non-Executive Director of the Company is also a director on the Board of TCL, though not interested, may be deemed to be interested as a good governance practice.

By order of the Board  
For **Tata Teleservices (Maharashtra) Limited**

**Vrushali Dhamnaskar**  
**Assistant Company Secretary**  
(ACS 28356)

#### Registered Office:

D-26, TTC Industrial Area,  
MIDC Sanpada, P.O. Turbhe,  
Navi Mumbai - 400 703.  
Tel.: 91 22 6661 5111  
Fax: 91 22 6660 5517  
CIN: L64200MH1995PLC086354  
Website: [www.tatateleservices.com](http://www.tatateleservices.com)  
e-mail: [investor.relations@tatatel.co.in](mailto:investor.relations@tatatel.co.in)

Place: Mumbai  
Date: June 1, 2021

**Details of Director seeking re-appointment  
at the Annual General Meeting**

(Pursuant to Regulations 26 and 36 of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015 and SS-2 – Secretarial Standards on General Meetings)

Name of the Director	<b>Mr. Thambiah Elango</b>	
DIN	07973530	
Designation	Non-Executive Non-Independent Director	
Age	56	
Qualifications	Bachelor's degree in Engineering (Mechanical Engineering), post graduate diploma in management from IIM, Bangalore	
Experience	Over 30 years of experience in Brand building, Project Management, Sales & marketing and operations in ICT sector.	
Terms and conditions of re-appointment	<ul style="list-style-type: none"> <li>- Director in Non-Executive Non-Independent capacity</li> <li>- Liable to retire by rotation</li> </ul>	
Details of remuneration sought to be paid	Refer 'Remuneration paid to the Directors' under "Corporate Governance Report"	
Remuneration last drawn	Refer 'Remuneration paid to the Directors' under "Corporate Governance Report"	
Date of first appointment on the Board	April 1, 2019	
Shareholding in the Company	Refer "Corporate Governance Report"	
Relationship with other Directors, Manager and Key Managerial Personnel of the Company	None	
Number of meetings of the Board attended during financial year 2020-2021	Held	Attended
	7	7
Other Directorships (All companies except of Foreign Companies to be mentioned)	<ul style="list-style-type: none"> <li>• Savadika Retail Private Limited</li> </ul>	
Memberships/Chairmanships of committees of other Boards	Corporate Social Responsibility Committee <ul style="list-style-type: none"> <li>• Savadika Retail Private Limited (Member)</li> </ul>	

TSR Darashaw Consultants Private Ltd.  
(formerly known as TSR Darashaw Limited)  
Unit: Tata Teleservices (Maharashtra) Limited  
C 101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg,  
Vikhroli (West), Mumbai - 400 083.

### Update of Shareholder Information

I / We request you to record the following information against my / our Folio No.:

**General Information:** Folio No.:

Name of the first named Shareholder:

PAN: \*

CIN/ Registration No.: \*

(applicable to Corporate Shareholders)

Tel No. with STD Code:

Mobile No.:

Email Id:

\*Self attested copy of the document(s) enclosed

**Bank Details:** IFSC:  
(11 digit)

MICR:  
(9 digit)

Bank A/c Type:

Bank A/c No.: \*

Name of the Bank:

Bank Branch Address:

\* A blank cancelled cheque is enclosed to enable verification of bank details

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that, the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No./beneficiary account.

Place:

Date:

Signature of Shareholder

# Directors' Report

## Dear Members,

Your Directors present 26<sup>th</sup> Annual Report on the business and operations of Tata Teleservices (Maharashtra) Limited ("TTML"/ the "Company"), together with the audited financial statements for the financial year ended March 31, 2021 and other accompanying reports, notes and certificates.

## Company Overview

The Company holds a Unified Licences ("UL") with Access Service Authorisation in Mumbai and Maharashtra License Service Area (LSA) i.e., Maharashtra and Goa states as well as Internet Service Provider Category A i.e., national authorisation. The Company is one of the country's leading enablers of connectivity and communication solutions for businesses.

After the demerger, of Consumer Mobile Business ("CMB") of the Company to Bharti Airtel Limited ("Bharti") under a Scheme of Arrangement

(the "Scheme"), from July 1, 2019, the Company has been focusing on providing various wireline voice, data and managed telecom services to Enterprise customers. The Company may also explore opportunities to strategically restructure the residual business at an appropriate time.

The Company provides its range of products and services to about 7.14 Lakhs subscribers as of March 31, 2021 and is having optical fibre transmission network about 17,000 kms in across Mumbai, rest of Maharashtra and Goa.

## Financial Results

The Company adopted Indian Accounting Standards ("Ind AS") from April 1, 2016, with transition date from April 1, 2015. Accordingly, the financial reports for current financial year 2020-2021 and previous financial year 2019-2020 have been prepared as per Ind AS reporting framework.

The financial highlights of the Company for the year ended March 31, 2021 are as follows:

Particulars	(₹in crores)	
	2020-2021	2019-2020
<b>Total Revenue</b>	<b>1,055</b>	<b>1,088</b>
Expenditure	555	656
<b>Earnings before Interest, Depreciation, Tax and Amortisation (EBITDA)</b>	<b>500</b>	<b>432</b>
Finance & Treasury charges including exchange impact (net)	1,548	1,521
Depreciation / Amortisation	169	195
<b>Profit/(Loss) Before Exceptional Items and Tax</b>	<b>(1,217)</b>	<b>(1,284)</b>
Exceptional Items	(780)	(2,430)
<b>Profit/(Loss) After Tax</b>	<b>(1,997)</b>	<b>(3,714)</b>

(Nos are not comparable as CMB business demerged w.e.f. 1st July 2019)

The Company reported total revenue at ₹ 1,055 crores as compared to ₹ 1,088 crores in the previous year, decline of about 3%.

The Company reported better EBITDA at ₹ 500 crores as against ₹ 432 crores in the previous year. EBITDA margin for the year was 47%.

The Company's loss before exceptional items was ₹ 1,217 crores as compared to last year's level of ₹ 1,284 crores.

The Company has provided for exceptional items of ₹ 780 crores, towards additional provision for Licence Fee / Spectrum Usage Charges (LF/SUC).

## Dividend and Appropriations

In view of the accumulated losses and loss during the year, the Directors regret their inability to recommend any dividend for the year under review. No appropriations are proposed to be made for the year under review.

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Dividend Distribution Policy is disclosed in the

Corporate Governance Report and is uploaded on the Company's website at <https://corporate.tatateleservices.com/en-in/policies-code-conduct>.

## Company's Initiatives

With the COVID-19 pandemic imposing restrictions in the early part of last year, the Company undertook multiple initiatives across Employee Safety & Well Being, Customer Centricity, New Product Launches and Digital engagement with customers.

### • Ensuring safety and well-being of our employees

- Offices were made safe by implementing all prescribed protocols for sanitization and social distancing.
- An employee wellbeing program called SABAL was launched which enabled Online/Telephone counselling. The program was made available to employees and their family members.
- A "Doctor on Call" facility was made available for its employees and family members.

### Customer Centricity Initiatives

The impact of COVID-19 on every aspect of life globally has been unprecedented. Today, we are looking at newer and transformed ways of living and doing business. Even as life around us continues to change, one thing that remains constant is our endeavor to provide our customers with uninterrupted services.

- To help our customers adapt and grow in these changing times, we have strengthened our suite of solutions targeted at improving efficiency and productivity of a distributed workforce.
  - We launched Smartflo, an advanced cloud communication suite which allows anytime, anywhere communication with a faster, smoother and more streamlined customer experience.
  - We launched a comprehensive suite of security solutions to ensure security while working remotely. We also provided Hosted IVR solutions, Audio and Web conferencing solutions, and International Bridging Services which enabled seamless collaboration and continuity of business.
- During the year gone by, we ensured that all our critical processes including service delivery and service assurance function seamlessly through a mix of remote operations, use of digital tools and field engagements, wherever required.
- We have also augmented our Internet Gateway capacities in the initial days of the lockdown to ensure that customers do not encounter a crunch whenever additional bandwidth is needed.

We have received multiple appreciations from our customers about our service, network and how we have ensured continuity and quality during the COVID-19 lockdown. Our customers have rewarded our focus on customer centricity by continuing to grow business with us and by giving us high customer satisfaction scores.

Furthermore, for providing best-in-class customer service, we continue to invest in:

- Enhancing and Expanding our Network and Infrastructure.
- Improvement in Network Resiliency and Uptimes.
- Tools & Automation to simplify work processes.
- Self Service Proliferation.

### Developing pioneering products & services to address the evolving needs of customers as they accelerate their digital transformation journey

The Company has strengthened its portfolio of enterprise grade solutions such as Cloud-based solutions, Collaboration solutions, IoT, Data Management and Cybersecurity solutions. These solutions appropriately address the needs arising out of a distributed and remote working environment and enable customers to maintain 'business as usual' mode while not compromising on efficiency and productivity. Some of our prominent product launches are as below:

- Smartflo:** Smartflo is an anytime, anywhere, flexible suite of advanced cloud communication solutions for enterprises. It optimises connectivity, helps build operational resilience and enables businesses to deliver better customer experiences across channels. It has been innovatively designed to support

today's hybrid work culture. It allows uninterrupted connectivity between all stakeholders, internally within employees and externally with customers and vendors across platforms and touch points. Smartflo enables businesses to strengthen engagement with customers through seamless communication, anytime and anywhere. It allows business minds to go farther from their cubicles, to work better from anywhere they choose to.



- Comprehensive Cyber Security Portfolio:** With the proliferation of digital ecosystems and as the industry moves towards a digital 'new normal', cyber security incidents are becoming more pervasive and require substantial amount of costs and efforts for enterprises to keep up with latest cybersecurity threats. We launched a comprehensive security portfolio comprising of Email Security, Endpoint Security, Web

### BUSINESSES MADE SAFE AND SECURE

SECURE YOUR ORGANISATION WITH BEST-IN-CLASS CYBER SECURITY PRODUCTS

#### WEB SECURITY

Eliminate online threats before they strike with a DNS or web proxy security solution



#### EMAIL SECURITY

Affordable enterprise-grade email security for businesses of any size

#### MULTI-FACTOR AUTHENTICATION

Creating a second layer of user authentication through a soft push



#### FIREWALL SECURITY

Next Generation security tool that protects business against sophisticated threats when you access the network.

#### ENDPOINT SECURITY

Protect Business data remotely with Endpoint Security





Security, Virtual Firewall and Multifactor Authentication to address the emerging need of security solutions. Enterprises especially in the Small & Medium segment can now reap benefits of a truly enterprise grade, SaaS based cyber security and protection.

- **Smart Internet Lease Line:** It is a one-stop solution for a customer needing bandwidth, manageability and security when working from home.
- **Ultra-Lola 3.0:** This is a technologically superior Point to Point offering with latency in microseconds, which enables Brokerage / Financial institutions to process market data in real time.
- **Hub Connect:** It is a unique high speed, cloud ready, secure, private and reliable point to multi-point connectivity enabling connectivity to prominent cloud services providers.
- **Collaboration Solutions:** In order to address the continuous shift in modern workplace, where employees expect more openness, collaboration and flexibility in how they stay connected, the Company launched a host of plug and play collaboration solutions which allows enterprises to improve their productivity and enables them to grow faster:
  - Web Conferencing Solutions: Web Conferencing Solution allows businesses with distributed workforce to conduct/ participate in reviews, collaborate effectively and exchange information in a secure data environment.
  - Hosted Interactive Voice Response ('HIVR'): It is a cloud-based voice application that allows businesses to efficiently connect with its customers. It offers best in class call connectivity, multiple level IVR facility and wide range of numbers to choose from. Enterprises can quickly set up a distributed call center with our HIVR and let agents work from remote locations.
  - International Bridging Services ('IBS'): This solution provides bridging facility to organizations so that they can connect to any international location or conference bridge. Our IBS gives enterprises the flexibility of getting their employees connected to international destinations without having ISD facility on their phones. It provides a centralized bridge facility for all conferencing needs in a cost effective and flexible manner.

**Digital Engagement Initiatives:** In order to continue and deepen its engagement with customer digitally the Company scaled up its digital properties like "Digital Do Big Forum" and "Digital Do Big Conclaves". In order to get industry leading views, the Company launched "Do Big CXO Roundtable" where it reached out to Industry leaders to understand their perspective on business and their digital transformation. The Company's "Do Big Forum" & "Do Big Conclave" formats have received immense appreciation from customers.

#### Awards & Recognition

During the FY 2020-21, the Company won the "Best Enterprise Service Provider Brand 2020" at Digital Terminal Awards 2020.

Some of the other recognitions the Company has received in the past include:

- Digital Marketing award for "Marketing to Unique Audience" in B2B sector at the e4M Indian Marketing Awards
- CII Customer Obsession Award for customer engagement

- TelecomLead Innovation Leader Award for SmartOffice™
- International Echo Awards for Meet4Solutions (Digital Platform)
- Global Marketing Excellence Award for Excellence in Content Marketing.

#### Holding Company

Pursuant to the provisions of the Companies Act, 2013 (the "Act"), Tata Teleservices Limited ("TTSL") and Tata Sons Private Limited are the holding companies of your Company.

Pursuant to Section 47(2) of the Act, since October 18, 2018, TTSL has become entitled to additional voting rights of 26.26% in respect of the Redeemable Preference Shares (RPS) of ₹ 100/- each held in the Company. Accordingly, TTSL has total 74.56% voting rights in the Company, in respect of Equity Shares and RPS of the Company held by it. The RPS are Non-convertible.

#### Subsidiary and Associate Company

The Company does not have any subsidiary or associate company within the meaning of relevant provisions of the Act.

#### Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultant(s), including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2020-2021.

Accordingly, pursuant to the provisions of Section 134(5) of the Act, your Directors, to the best of their knowledge and belief and according to information and explanation obtained by them, confirm that:

1. in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards have been followed and there are no material departures;
2. they have 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 ended March 31, 2021 and of the loss of the Company for that period;
3. they have taken proper and sufficient care for the 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 fraud and other irregularities;
4. they have prepared the annual financial statements on a going concern basis;
5. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
6. they have devised systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## Corporate Structure – Directors and Key Managerial Personnel

### Board of Directors, Meetings and its Committees

As on March 31, 2021, the Board of Directors comprised of 6 (Six) Non-Executive Directors. The Non-Executive Directors include 3 (Three) Independent Directors (including a Woman Director). The composition of the Board is in conformity with the provisions of the Act and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Further, all the Directors and senior management personnel have affirmed compliance with the Code of Conduct for the financial year 2020-2021 and the declaration in this respect appears elsewhere in the Annual Report.

### Directors Retiring by Rotation

In accordance with the relevant provisions of the Act and in terms of the Articles of Association of the Company, Mr. Thambiah Elango retires by rotation at the ensuing AGM and being eligible offers himself for re-appointment. The Nomination and Remuneration Committee and Board recommends his re-appointment. The relevant details of Mr. Thambiah Elango forms part of the Notice convening 26<sup>th</sup> AGM.

### Independent Directors

All the Independent Directors of the Company have given declarations and confirmed that they meet the criteria of 'Independence' as stipulated under the Act and the Listing Regulations.

### Meetings of the Board of Directors

The details of composition of the Board, meetings of the Board held and attendance of the Directors at such meetings are provided in the Corporate Governance Report, which is a part of this Report.

### Committees of the Board

#### Audit Committee:

The details pertaining to the composition of the Audit Committee, its terms of reference, meetings, etc. are included in the Corporate Governance Report, which is a part of this Report.

#### Corporate Social Responsibility Committee:

The details pertaining to the composition of the Corporate Social Responsibility Committee, its terms of reference, meetings, etc. are included in the Corporate Governance Report, which is a part of this Report.

As per the recent amendment to the Act, the Company is no more required to have separate CSR Committee..

During the year under review, the Board re-constituted some of the Committees in accordance with the Act and the Listing Regulations. Details of all the Committees along with their terms of reference, composition and meetings of each Committee held during the year under review, are provided in the Corporate Governance Report forming part of this Report.

### Board Evaluation

The Board of Directors carried out an annual evaluation of its own performance, performance of Board Committees and individual Directors pursuant to the provisions of the Act and the Listing Regulations.

The performance of the Board, the Committees and individual Directors was evaluated by the Board after seeking inputs from all the Directors

through a questionnaire wherein the Directors evaluated the performance on scale of one to five based on the following criteria:

- Criteria for Board Performance Evaluation: Degree of fulfillment of key responsibilities, Board structure and composition, Establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and functioning, Board Culture and Dynamics, Quality of relationship between the Board and the Management.
- Criteria for Committee Performance Evaluation: Degree of fulfillment of key responsibilities, Adequacy of Committee Composition, Effectiveness of meetings, committee dynamics, Quality of Relationship of the Committee with the Board and the management.
- Criteria for Performance Evaluation of Individual Directors: Fulfilment of the independence criteria as specified in the Listing Regulations and their independence from the Management, Attendance, Contribution at meetings, guidance, Support to Management outside Board/Committee meetings.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

Dr. Narendra Damodar Jadhav, Chairman of the Nomination and Remuneration Committee ("NRC"), was nominated for conducting one-on-one discussions with Directors to seek their feedback on the Board and other Directors.

The NRC also reviewed the performance of the individual Directors.

In a separate meeting of Independent Directors, performance of Non-Independent Directors and performance of the Board as a whole was evaluated, taking into account the views of the Non-Executive Directors.

The Board and the NRC reviewed the performance of individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In the Board meeting that followed the meeting of the Independent Directors and meeting of NRC, the performance of the Board, its Committees, and individual Directors was also discussed. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

### Safety

The Company has a well-defined and practiced Employee Safety and Well-being Policy. The Company's Safety Policy comprises guidelines and standardised practices, based on robust processes. It advocates proactively improving its management systems, to minimise health and safety hazards, thereby ensuring compliance in all operational activities.

To minimise and mitigate risks related to Fire Safety and Physical Security, the Company has taken up various safety initiatives that includes:

- First Aid and Fire Safety trainings for all on-roll employees.
- Emergency Mock fire drills (day/night).
- Dissemination of Safety Guidelines, through Safety Awareness mailers and Videos/Safety SMS's (covering Do's & Don'ts).
- COVID SoP has been formalised and deployed across TTL locations.

- Due to the on-going pandemic, COVID Web Based Training has also been imparted to all on-roll employees.

## Policies and Procedures

### Policy on Directors' Appointment and Remuneration and other Details

The Policy of the Company on Directors' appointment including criteria for determining qualifications, positive attributes, independence of a Director and the Policy on remuneration of Directors, Key Managerial Personnel and other employees are annexed as **Annexure – IA** and **Annexure – IB** to this Report.

### Risk Management

Pursuant to Regulation 21 of Listing Regulations, the Board of Directors of the Company has constituted a Risk Management Committee on April 26, 2021 to frame, implement and monitor the risk management plan for the Company. The Committee comprises of two Independent Directors and one Non-Executive Non-Independent Director.

The scope of Risk Management Committee includes monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee will have additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management framework which ensures that the Company is able to carry out identification of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company, has been covered in the Management Discussion and Analysis, which forms part of this Report.

### Internal Financial Controls and their Adequacy

The Company has established and maintained adequate internal financial controls with respect to financial statements. Such controls have been designed to provide reasonable assurance with regard to providing reliable financial and operational information. During the year under review, such controls were operating effectively and no material weaknesses were observed.

### Vigil Mechanism / Whistle Blower Policy

The Company has established a vigil mechanism in the form of Whistle Blower Policy for Directors, employees and other stakeholders of the Company to report their genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy, details of which are provided in the Corporate Governance Report, which forms part of this Report.

The Policy provides for adequate safeguards against victimisation of Directors/employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee.

The Whistle Blower Policy has been placed on the website of the Company at <https://corporate.tatateservices.com/en-in/policies-code-conduct>

### Corporate Social Responsibility

The Company has constituted a Corporate Social Responsibility ("CSR") Committee in accordance with Section 135 of the Act. The composition of CSR Committee, the details of CSR Policy and initiatives taken by the Company on CSR activities during the year under review have been provided in the **Annexure – II** to this Report. For other details regarding the CSR Committee, please refer to the Corporate Governance Report,

which is a part of this Report. The CSR policy of the Company is available at <https://corporate.tatateservices.com/en-in/policies-code-conduct>

### Related Party Transactions

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same can be accessed on the Company's website at <https://corporate.tatateservices.com/en-in/policies-code-conduct>. During the year under review, all transactions entered into with related parties were approved by the Audit Committee.

Further, the Company has taken a prior approval of the Members for all material transactions/proposed transactions entered/to be entered into between the Company and TTSL, a related party, relating to rendering or availing of services, sharing of infrastructure, purchase/sale of Assets and Inventory and sharing of costs for an aggregate value of ₹ 200 crores (Rupees Two Hundred crores Only) per annum for the financial years 2021-2022, 2022-2023 and 2023-2024. With effect from March 18, 2021, Tata Communications Limited and its subsidiaries have become Related Parties of the Company. The notice of the ensuing Annual General Meeting includes a resolution seeking approval of the Members for transactions proposed during the current year and two more years.

The details of transactions with related party as per Form AOC-2 are provided in **Annexure – III** to this Report.

### Particulars of Loans, Guarantees or Investments

The Company falls within the scope of the definition "infrastructure company" as provided by the Act. Accordingly, the Company is exempt from the provisions of Section 186 of the Act with regards to loans made, guarantees given or security provided by the Company.

The Company has not made any investment in securities of other Bodies Corporate during the year under review.

### Deposits

The Company has not accepted any deposits from public, during the year under review, within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposit) Rules, 2014. No amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

The Company availed Inter Corporate Deposits ("ICD") from TTSL amounting to ₹ 409 crores (Rupees Four Hundred and Nine crores Only) during the year under review.

### Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder, for prevention and redressal of complaints of sexual harassment at workplace. The objective of this policy is to lay clear guidelines and provide right direction, in case of any reported incidence of sexual harassment across the Company's offices and take appropriate decision in resolving such issues.

Further, the Company has complied with provisions relating to the constitution of Internal Complaints Committee as required under the said act.

During the year under review, the Company did not receive any complaints on sexual harassment.

## Particulars of Employees

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure – IV** to this report.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. Pursuant to Section 136(1) of the Act, this Report is being sent to the Members of the Company excluding the aforesaid information. However, copy of this statement may be obtained by the Members by writing to the Assistant Company Secretary at [investor\\_relations@tatatel.co.in](mailto:investor_relations@tatatel.co.in).

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo

Pursuant to Section 134(3)(m) of the Act read with Rule 8(3) of Companies (Accounts) Rules, 2014, the details of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are as under:

### (A) Conservation of Energy:

#### (i) Steps Taken or Impact on Conservation of Energy:

- Electricity and Diesel Generators are used for the powering of the Company's telephone exchanges and other network infrastructure equipment. The Company regularly reviews power consumption patterns across its network and has implemented various innovative projects including green initiatives in order to optimize power consumption which resulted into substantive cost savings and reduction of carbon foot print. Some of the major projects undertaken during the year are:
  - Network Optimisation – 109 Tx locations switched off post Network optimisation.
  - 3 Core locations Space and Power optimisation
  - Total space surrendered – Total 0.31 L Sq. ft
- The initiative on energy conservation has resulted into reduction of 0.21 Million units of energy consumption, carbon foot-print reduction of 2,668 TCO<sub>2</sub> for the financial year 2020-2021.

#### (ii) Steps taken by the Company for utilizing alternate sources of Energy:

The Company has not utilised any alternate sources of energy.

#### (iii) Capital Investment on Energy Conservation Equipments:

Nil.

**(B) Technology Absorption:** The Company has not imported any new technology.

### (C) Foreign Exchange Earnings and Outgo:

(₹ in crores)		
Particulars	2020-2021	2019-2020
Earnings	0.00	0.12
Outgo	0.30	1.68
Capital Goods	47.92	68.39

## Significant and Material Orders Passed by the Regulators or Courts or Tribunals Impacting the Going Concern Status and the Company's Operation in future

- The Hon'ble Supreme Court ('SC') pronounced its Judgement on October 24, 2019 ('Judgement'), dismissing the appeals of operators and allowing Department of Telecommunication's (DoT) appeal in respect of the definition of Gross Revenue ('GR') and Adjusted Gross Revenue ('AGR') as defined in the Unified Access Service License Agreement.
- As on March 31, 2020, TTML had provided ₹ 2,423.37 crores towards LF, SUC, interest, penalty and interest on penalty as applicable arising out of the above SC judgement read with subsequent orders in this matter.
- Subsequently, on July 20, 2020 SC passed an order agreeing with the statement relating to recoverable amount, filed by DoT as part of modification application and further ordered that there cannot be any re-assessment or recalculation of this amount.
- On September 1, 2020 SC directed the Operators to pay 10% of the total dues as demanded by DoT, by March 31, 2021 and the balance in installments commencing April 1, 2021 upto March 31, 2031 payable by March 31, of every year. As directed by the SC, TTML has furnished on September 28, 2020 an undertaking to DoT to make the payment of arrears as per the SC order. TTML has made payment of ₹ 639.39 crores and will ensure ongoing compliance with the SC orders.
- Consequently, without prejudice and on prudence, during the half year ended September 30, 2020 TTML has recorded an incremental provision of ₹ 827.28 crores to give effect to the differential amount between the amounts of AGR dues stated as final in the SC order as well as amounts for subsequent period, if any and the provision upto March 31, 2020. During the quarter ended March 31, 2021, TTML has continued to recognise interest on AGR obligations. The amount has been recorded in compliance with the accounting standards, strictly without prejudice to TTML's legal rights, claims, remedies and contentions available under law.
- TTML along with TTSL on January 10, 2021 filed a joint application for direction/clarification of order dated September 1, 2020 wherein TTML & TTSL, inter-alia, have requested SC to allow TTML & TTSL to seek rectification of computational errors and erroneous disallowances in the amounts claimed by DoT. The said application is yet to be listed for hearing.
- On March 27, 2021, TTML along with TTSL have filed Compliance Affidavit before SC.
- On April 6, 2021, TTML and TTSL have also filed before SC the respective Undertakings which were submitted to DoT in terms of SC order dated September 1, 2020.
- DoT has filed its Affidavit in compliance of the Order dated September 1, 2020 on April 7, 2021.

Further details of the provisions made are given in the Notes to accounts.

While there are other critical litigations including litigations relating to various demands made by DoT, except the AGR issue, there are no material orders passed, as of date, by the Regulators / Courts or the Company has interim protection from courts against enforcement of such demands or notices, which would impact the going concern status of the Company and its future operations. However, there is always a chance that any order passed in critical litigations in future may have an impact on the going concern or future operations of the Company.



## Extract of Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website on <https://corporate.tatateleservices.com/en-in/ttml-annual-return>.

## Credit Rating

The list of all credit ratings obtained by the Company along with any revisions thereto during the year under review, for all debt instruments are given hereunder:

Rating Agency	Bank Facilities		Commercial Papers
	Long Term Rating	Short Term Rating	
CRISIL	AA- (Stable)	A1+	A1+
CARE	A+ (Stable)	A1+	A1+

## Transfer to Investor Education and Protection Fund ("IEPF")

Pursuant to Sections 124 and 125 of the Act read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as principal amount of debentures and deposits, sale proceeds of fractional shares, redemption amount of preference shares, etc. pertaining to the Company remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, have to be transferred to the IEPF Authority, established by the Central Government.

There was no amount to be transferred to the IEPF during the year. However, total unclaimed amount of ₹ 2,98,071.24 is available with the Company arising out of sale proceeds of fractional bonus shares. The Company had issued these bonus shares on August 10, 2013. The shares towards fractional entitlement were sold by the Company and the warrants towards fractional entitlement were issued on June 24, 2014. The unpaid / unclaimed amount as above will be transferred to IEPF during FY 2021-22 after June 24, 2021. The list of shareholders whose amount remained unclaimed as of March 31, 2021 is available on the website of the Company at <https://corporate.tatateleservices.com/en-in/iepf>

The Members who have a claim on sale proceeds of fractional bonus shares may claim the same from the Company on or before June 15, 2021 by writing to [investor.relations@tatatel.co.in](mailto:investor.relations@tatatel.co.in). After this date, the Company will not be able to process any requests and the Member shall be required to submit his claim with IEPF Authority by submitting an online application in the prescribed web-Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with requisite documents enumerated in the web-Form IEPF-5. No claims shall lie against the Company in respect of the amounts so transferred.

## Auditors

### Statutory Auditors

Pursuant to the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, Price Waterhouse Chartered Accountants LLP, having Firm Registration No. 012754N/N500016 were appointed as Statutory Auditors of the Company for a term of five years from the conclusion of 22<sup>nd</sup> AGM of the Company until the conclusion of 27<sup>th</sup> AGM to be held in the year 2022.

### Cost Auditors

Section 148 of the Act read with Companies (Cost Record and Audit) Rules, 2014 (the "Rules"), requires every Telecommunication company to get its Cost Records audited by the Cost Accountants in practice and file the Cost Audit Report with the Central Government within 180 days of closure of the financial year. Accordingly, the Company is required to maintain cost records.

The Board of Directors of your Company has on the recommendation of Audit Committee, approved the re-appointment and remuneration of M/s. Sanjay Gupta & Associates, Cost Accountants, as Cost Auditors of the Company for conducting cost audit for the financial year 2021-2022. A resolution seeking approval of the Members for ratifying the remuneration payable to the Cost Auditors for the financial year 2021-2022 is provided in the Notice of the ensuing AGM.

### Internal Auditors

The Board had appointed Ernst & Young LLP and ANB Solutions Pvt. Ltd. as Internal Auditors for conducting internal audit of the Company for the Financial Year 2020-2021.

### Secretarial Auditors, Secretarial Audit Report and Response to Observation in Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. Mehta & Mehta, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the year ending March 31, 2021. The Secretarial Audit Report in Form MR-3 is annexed as **Annexure – V** to this Report.

The Secretarial Auditors in their Report have made the following observation:-

***As informed by the Management of the Company, due to COVID-19 pandemic, the meetings of the Audit Committee and Board were held through video conference. Due to logistics of digital signatures and technical issues, there was a delay in signatures and uploading process which led to delay in uploading the results to Stock Exchange(s) beyond 30 minutes with respect to the disclosure of events (results) post meeting of the Board of Directors held on June 02, 2020, August 12, 2020 and on November 05, 2020 as required under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Management also informed that on a query from the National Stock Exchange of India Limited with respect to the intimations of June 02, 2020 and November 05, 2020, a response citing technical issues was submitted to the Exchange on both occasions. There was no further query from the stock exchanges.***

### Directors Response

Due to the current pandemic situation of COVID-19, the Audit Committee and the Board Meeting of the Company were held through audio-visual means on June 2, 2020; August 12, 2020 and November 5, 2020 for adoption of Audited/Unaudited Financial Results. Post the meeting, due to technical issues there was a delay in the digital signatures by director and auditors sitting at different places and thereafter in the uploading process. On a query from the National Stock Exchange of India Limited (NSE) with respect to the intimations of June 2, 2020 and November 5, 2020, this reason for delay was submitted by the Company to the NSE. No further communication was received from the Stock Exchanges.

## Auditors' Observations and Directors' Comments

The Auditors' Report for the financial year ended March 31, 2021 does not contain any qualification, reservation, adverse remark or disclaimer.

## Managements' Discussion and Analysis Report

A detailed report on Managements' Discussion and Analysis, as required under the Regulation 34 of the Listing Regulations for the year under review is presented in a separate section, forming part of this Report.

## Corporate Governance Report

A report on Corporate Governance presented in a separate section, forming part of this Report. A certificate from Price Waterhouse Chartered Accountants LLP, with regard to compliance of conditions of corporate governance as specified in the Listing Regulations, by the Company is annexed hereto.

The Company has complied with mandatory requirements of Corporate Governance prescribed under the Listing Regulations.

## Compliance with Secretarial Standards

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

## Business Responsibility Report

As per Regulation 34 of the Listing Regulations, a Business Responsibility Report is attached and is a part of this Report.

## Acknowledgements

The Directors wish to place on record their sincere appreciation for the assistance and continuous support extended by the Company's employees & their families, shareholders, customers, financial institutions, banks, vendors, dealers and investors for their continued support. The Directors also thank the Department of Telecommunications, the Central and State Governments and others associated with the activities of the Company for their co-operation.

The Directors mourn the loss of lives due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their lives and safety to fight this pandemic.

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

Place: Mumbai  
Date: June 1, 2021

**Ankur Verma**  
Director  
DIN: 07972892

**N. Srinath**  
Director  
DIN: 00058133

## Annexure – IA to the Directors' Report

### Company's Policy on Directors Appointment and Remuneration

The Company has formulated the criteria determining qualifications, positive attributes and independence of Director. The details of the same are as under:

#### 1. Definition of Independence

- A director will be considered as an "independent director" if the person meets with the criteria for 'independent director' as laid down in the Act and Clause 49 (as may be applicable).
- The definition of Independence as provided in the Act and Clause 49 is as follows:

"An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director,—

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b)
  - (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
  - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) who, neither himself nor any of his relatives –
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of –
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
  - (iii) holds together with his relatives two per cent or more of the total voting power of the company; or

- (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
- (v) is a material supplier, service provider or customer or a lessor or lessee of the company; (additional provision as per Clause 49);

- (f) who is not less than 21 years of age (additional provision as per Clause 49)."

- Current and ex-employees of a Tata company may be considered as independent only if he/she has or had no pecuniary relationship with any Tata company (due to employment/ receipt of monthly pension by way of Special Retirement Benefits/holding consultant or advisor positions) during the two immediately preceding financial years or during the current financial year.

#### 2. Qualifications of Directors

- Board will ensure that a transparent board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender.
- It is expected that board have an appropriate blend of functional and industry expertise.
- While recommending appointment of a director, it is expected that the Nomination and Remuneration Committee ("NRC") consider the manner in which the function and domain expertise of the individual contributes to the overall skill-domain mix of the Board.
- Independent Directors ("ID") ideally should be thought/practice leaders in their respective functions/domains.

#### 3. Positive Attributes of Directors

Directors are expected to comply with duties as provided in the Act. For reference, the duties of the Directors as provided by the Act are as follows:

- 1) "Act in accordance with the articles of the company.
- 2) Act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- 3) Exercise duties with due and reasonable care, skill and diligence and exercise independent judgment.
- 4) Not be involved in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- 5) Not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.
- 6) Not assign his office."



Additionally, the Directors on the Board of a Tata Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment.

IDs are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to Section 149(8) of the Act. The Code specifies the guidelines of professional conduct, role and function and duties of Independent Directors. The guidelines of professional conduct specified in the Code are as follows:

"An independent director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a bona fide manner in the interest of the company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of

the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;

- 6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- 7) refrain from any action that would lead to loss of his independence;
- 8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- 9) assist the company in implementing the best corporate governance practices."

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

**Ankur Verma**

Director

DIN: 07972892

**N. Srinath**

Director

DIN: 00058133

Place: Mumbai

Date: June 1, 2021

## Annexure – IB to the Directors' Report

### Remuneration Policy

Further, the Company has also formulated a Remuneration Policy for the Directors, Key Managerial Personnel and other employees and the same is given hereunder:

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of Tata Teleservices (Maharashtra) Limited ("Company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and Clause 49(IV) (B)(1) of the Equity Listing Agreement ("Listing Agreement"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

- "(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals"

Key principles governing this remuneration policy are as follows:

- **Remuneration for independent directors and non-independent non-executive directors**

- Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
- Overall remuneration should be reflective of size of the company, complexity of the sector/industry/company's operations and the company's capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognised best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.

- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/management, site visits, induction and training (organised by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

- **Remuneration for managing director ("MD") / executive directors ("ED") / KMP / rest of the employees**

- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be
  - Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
  - Driven by the role played by the individual,
  - Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay,
  - Consistent with recognised best practices and
  - Aligned to any regulatory requirements.
- In terms of remuneration mix or composition,
  - The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
  - Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
  - In addition to the basic/fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimisation, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalisation through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.

- The company provides retirement benefits as applicable.
- In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/EDs such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.
- In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/EDs such remuneration by way of an annual incentive remuneration/performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
  - Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
  - Industry benchmarks of remuneration,
  - Performance of the individual.

- The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.

• **Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

• **Policy implementation**

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

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

**Ankur Verma**

Director

DIN: 07972892

**N. Srinath**

Director

DIN: 00058133

Place: Mumbai

Date: June 1, 2021

## Annexure – II to the Directors' Report

### Annual Report on Corporate Social Responsibility ("CSR") Activities

As a member of the Tata Group, CSR is at the core of the Company. The Company's CSR policy upholds the ethos of the Tata Group's Sustainability (including CSR) Policy. The Company has designed its CSR policy based on Tata Group's focus areas.

Given the financial position of the Company, most of the activities were by way of volunteering by the employees of TTL and it tended to be mostly in locations where there was a critical mass of employees. Few volunteering activities undertaken are as under:

#### Volunteering

In the last year, the Company and Tata Teleservices Limited (TTSL) (together referred to as "TTL") TTL partnered with Tata Sustainability Group to participate in various volunteering projects and initiatives.

TTL employees, as part of the Tata ProEngage initiative, participated in 22 volunteering projects. Tata ProEngage is a part-time skill-based volunteering programme, where volunteers work in teams and use their skills to address problems identified by NGOs. Because of the pandemic situation, all volunteering projects were done online.

The following projects were undertaken by TTL as part of the Tata ProEngage initiative:

Sr No	NGO	Project
1	ETASHA Society, New Delhi	Developing communication collaterals
2	Bright Future, Mumbai	Mentoring & conducting mock interviews for youth
3	Ratna Nidhi Charitable Trust, Mumbai	Mentoring differently-abled people
4	Antara, Kolkata	Revamping their website
5	Kotak Education Foundation, Mumbai	Mentoring youth members
6	Anudip Foundation, Mumbai	Conducting financial literacy sessions for youth
7	Ennoble Social Innovations, Mumbai	Setting up financial management processes
8	Chezuba, Hyderabad	Conducting a SWOT analysis for the NGO
9	The Vishwas And Anuradha Memorial Foundation, Pune	Creating legal contracts
10	Chezuba, Kolkata	Creating a business development strategy
11	Chezuba, Bangalore	Writing a fundraising proposal
12	Chezuba, Hyderabad	Conducting sessions on English & Telugu for students
13	Chezuba, Hyderabad	Creating a staff retention strategy
14	Chezuba, Ahmedabad	Conducting research on "Waste Management during COVID-19 pandemic"
15	Radha Laxmi Multipurpose Foundation, Nashik	Recording video lessons for children
16	Tata Steel Excellence Educational Program, Jamshedpur	Mentoring school leadership team
17	L V Prasad Eye Institute, Hyderabad	Conducting online sessions for visually impaired students
18	Udayan Care Pune	Mentoring Girls for Career Counselling
19	Chezuba, Hyderabad	Conducting a SWOT analysis
20	Chezuba, Hyderabad	Creating a Digital Marketing strategy
21	Chezuba, Hyderabad	Designing logos for products
22	Chezuba, Hyderabad	Writing a fundraising proposal

Every year, in March, Tata employees celebrate our Founder Mr J N Tata's birth anniversary by participating in various volunteering initiatives. TTL employees participated in the following initiatives as part of the Tata Volunteering Week held in March, 2021:

NGO	Initiative
Kankura Masat Social Welfare Society, South 24 Pgs, West Bengal	Session on women health and hygiene
Kankura Masat Social Welfare Society, South 24 Pgs, West Bengal	Storytelling sessions for kids on an online platform
Manovikas Kendra Rehabilitation & Research Institute for the Handicapped	Storytelling sessions were recorded and shared with NGO partner for any time use
Bhumi	Online Session on finance literacy for teenagers
Kankura Masat Social Welfare Society, South 24 Pgs, West Bengal	Online career counselling session for teenagers
Kankura Masat Social Welfare Society, South 24 Pgs, West Bengal	Online session on leadership skills for teachers

The web link to the Company's CSR Policy is – <https://corporate.tatateleservices.com/en-in/policies-code-conduct>

## Composition of CSR Committee

The CSR Committee for the Company comprises of the following Members:

Sr. No.	Name	Designation
1	Dr. Narendra Damodar Jadhav	Non-Executive Independent Director
2	Mr. Ankur Verma	Non-Executive Director
3	Mr. N. Srinath	Non-Executive Director

Average net profit of the Company for last 3 financial years, prescribed CSR expenditure and details of CSR spent during the financial year.

The Company did not make profits in the past 3 financial years; hence it does not have any budgeted CSR expenditure. However, in keeping with the Tata Group's philosophy of giving back to the society, all the above initiatives are managed with internal resources.

As per recent amendment to the Act, the Company is no more required to have separate CSR Committee.

## COVID-19 Donation

Employees donated a total amount of ₹ 23.3 Lakh towards Covid 19 Fund and TTL matched the contribution by putting in an equal amount.

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

Place: Mumbai  
Date: June 1, 2021

**Ankur Verma**  
Director  
DIN: 07972892

**N. Srinath**  
Director  
DIN: 00058133

**Annexure – III to the Directors' Report****Form No. AOC-2**

(Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013  
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 arms length transactions under third proviso thereto**

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

Tata Teleservices (Maharashtra) Limited ("TTML") has not entered into any contract or arrangement or transaction with related parties which is not on arm's length during financial year 2020-2021.

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

- (a) Name of the Related Party and nature of Relationship: Tata Teleservices Limited ("TTSL") -Substantial interest in TTML and is Fellow Subsidiary.
- (b) Nature of contracts / arrangements / transactions: Refer Table - A below.
- (c) Duration of the contracts / arrangements / transactions: Refer Table - A below.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Refer Table - A below.
- (e) Date(s) of approval by the Board, if any: Not applicable, since the contract was entered into in the ordinary course of business and on arm's length basis.
- (f) Amount paid in Advance, if any: Nil.

**Table – A**

Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any
Roaming Income / Expenses	April 1, 2018 - March 31, 2021	TTML entered into agreement with all operators including TTSL to provide roaming services to customers. Contract Value: Inter Circle Roaming Expenses – ₹ 30 crores p.a. (Value till March 31, 2021 ₹ NIL crores) Inter Circle Roaming Income – ₹ 25 crores p.a. (Value till March 31, 2021 ₹ NIL crores)
Inter Usage Expenses and Income (Carriage & Termination)	April 1, 2018 - March 31, 2021	TTML enters into interconnection agreement with all operators including TTSL as per licensing conditions. Termination charges are prescribed by TRAI from time to time and are followed by all the telecom operators in India. Carriage & Termination Contract Value: ₹ 365 crores p.a. (Carriage & Termination Expenses till March 31, 2021 (YTD) is ₹ 9.40 crores & Termination Income till March 31, 2021 (YTD) is ₹ 0.10 crores)
Purchase / Sale of Inventory / Used assets	April 1, 2018 - March 31, 2021	Procurement Contract allows needs based purchase / sale of Inventory/Used assets. Contract Value: ₹ 10 crores p.a. (Value till March 31, 2021 (YTD) ₹ 0.82 crores)
Lease Expense & Related Expense (Nelco Premises)	April 1, 2018 - March 31, 2021	Lease Expense (Nelco): Based on Independent Valuation, 11027 Sq. ft. Leased to TTML for a consideration of ₹ 11.16 Lakhs of rent per month. Expenses for house-keeping & facilities at Actual without Mark-up. Contract Value: ₹ 2 crores for rent (excluding taxes) and reimbursement expenses for housekeeping, electricity and fuel charges etc. at actual. (Value till March 31, 2021 (YTD) is ₹ 1.32 crores including reimbursements)
Telecommunication Services	Open Ended	TTML is a telecom operator. It provides telecommunication services to various entities, including TTSL. Contract Value: ₹ 35 Crores (Value till March 31, 2021 (YTD) ₹ 22.54 crores)
Cost Sharing O & M bandwidth	October 1, 2008 - September 30, 2023	TTML has in place a "leasing of bandwidth agreement" dated October 25, 2007 with TTSL. The arrangement also requires TTML to maintain the fiber given to TTSL in Mumbai and Rest of Maharashtra and Goa. Contract Value: ₹ 2 crores (Value till March 31, 2021 (YTD) is ₹ NIL Crore)

Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any
Other Income (Lease Income & Related Expenses Recovery Turbhe)	April 1, 2018 - March 31, 2021	Lease Income (Turbhe): Based on Independent Valuation, 51,478 Sq. ft. Leased to TTSL for a consideration of ₹ 25.75 Lakhs of rent per month. Recovery of housekeeping & facilities expense: At Actual without Mark-up. Contract Value: ₹ 18 crores for rent (excluding taxes) and reimbursement of housekeeping, electricity and fuel charges etc. at actual. (Value till March 31, 2021 (YTD) is ₹ 14.41 crores including reimbursements).
Cost Sharing	April 1, 2018 - March 31, 2021	Sharing of common resources is based on "Various Ratios" without Mark-up. Contract Value: ₹ 130 crores p.a. (Value till March 31, 2021 (YTD) ₹ 36.16 crores).

For and on behalf of the Board of Directors

**Ankur Verma**

Director

DIN: 07972892

**N. Srinath**

Director

DIN: 00058133

Place: Mumbai

Date: June 1, 2021



**Annexure – IV to the Directors' Report**

(The information required under Section 197(12) of the Act read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-2021:

Non-Executive Directors	Ratio to median remuneration
Ms. Hiroo Mirchandani	1.10
Dr. Narendra Damodar Jadhav	1.30
Mr. Kumar Ramanathan	0.95
Mr. Ankur Verma	0.30
Mr. N. Srinath	0.18
Mr. Thambiah Elango	0.60

Remuneration paid to the above Non-Executive Directors was by way of sitting fees only.

- b. The percentage increase in remuneration of each Director, Chief Executive Officer, Manager, Chief Financial Officer, Company Secretary in the financial year 2020-2021:

Director, Chief Executive Officer, Manager, Chief Financial Officer, Company Secretary	% increase in remuneration in the financial year
Mr. Harjit Singh - Manager and Key Manager Personnel**	N.A.
Mr. Kush S. Bhatnagar - Chief Financial Officer	0%
Ms. Vrushi Dhamnaskar - Assistant Company Secretary	0%

\* Appointed as a Manager and Key Managerial Personnel w.e.f. August 12, 2020

# Does not draw any remuneration from the Company

- c. The percentage increase in the median remuneration of employees in the financial year: 0%.  
(Increase on Median remuneration has been taken for on-roll employees as on March 31, 2021)
- d. The number of permanent employees on rolls of the Company: 372.
- e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out, if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase for the year was 0% in case of employees other than managerial personnel.

- f. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration paid is as per the remuneration policy of the Company.

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

Place: Mumbai  
Date: June 1, 2021

**Ankur Verma**  
Director  
DIN: 07972892

**N. Srinath**  
Director  
DIN: 00058133

## Annexure – V to the Directors' Report

Form No. MR-3

### Secretarial Audit Report

For the financial year ended 31<sup>st</sup> March 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and the rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Tata Teleservices (Maharashtra) Limited**  
D-26 TTC Industrial Area,  
MIDC Sanpada, Turbhe, Navi Mumbai,  
Thane – 400703, Maharashtra, India

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised 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, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment (during the year under review not applicable to the Company);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the period under review not applicable to the company);

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (during the period under review not applicable to the Company);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (during the period under review not applicable to the Company);
- (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 (during the period under review not applicable to the Company);
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the period under review not applicable to the Company); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the period under review not applicable to the Company);
- (vi) Telecom Regulatory Authority of India Act, 1997
- (vii) The Indian Telegraph Act, 1885
- (viii) The Indian Wireless Telegraphy Act, 1993.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines etc. **as mentioned above, except the below mentioned observations;**

- **As informed by the Management of the Company, due to COVID-19 pandemic, the meetings of the Audit Committee and Board were held through video conference. Due to logistics of digital signatures and technical issues, there was a delay in signatures and uploading process which led to delay in uploading the results to Stock Exchange(s) beyond 30 minutes with respect to the disclosure of events (results) post meeting of the Board of Directors held on June 02, 2020, August 12, 2020 and on November 05, 2020 as required under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Management also informed that on a query from the National Stock Exchange of India Limited with respect to the intimations of June 02, 2020 and November 05, 2020, a response citing technical issues was submitted to the Exchange on both occasions. There was no further query from the stock exchanges.**

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of the 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, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' view, if any are captured and recorded as part of the Minutes.

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

We further report that during the audit period the Company had no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Note: Due to lockdown under COVID-19, Certification on this Form MR-3 is done on the basis of few documents are made available to us in electronic form (i.e. share drive on internet) by the Secretarial Team of the Company and such documents will be verified physically after the lockdown is lifted.

For **Mehta & Mehta**

Company Secretaries

(ICSI Unique Code P1996MH007500)

**Atul Mehta**

Partner

PCS No: 5782

CP No. : 2486

Place: Mumbai

Date: April 26, 2021

UDIN: F005782C000176337

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

## Annexure A

To,  
The Members,  
**Tata Teleservices (Maharashtra) Limited**  
D-26 TTC Industrial Area,  
MIDC Sanpada, Turbhe, Navi Mumbai,  
Thane – 400703, Maharashtra, India

Our report of even date is to be read 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 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) Wherever 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 laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in points vi, vii and viii of our Secretarial Audit Report in Form No. MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
- 7) 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 **Mehta & Mehta**  
Company Secretaries  
(ICSI Unique Code P1996MH007500)

**Atul Mehta**  
Partner  
PCS No: 5782  
CP No. : 2486

Place: Mumbai  
Date: April 26, 2021

UDIN: F005782C000176337

# Management Discussion and Analysis Report

## Telecom Industry Developments

### The Indian Telecom Industry

The COVID-19 pandemic has been a catalyst in propelling the use of technology. Areas that were hitherto considered the exclusive domain of physical infrastructure have now transitioned into the online world. COVID-19 has emphasised the importance and relevance of the Telecom Sector in India. In the last one year amidst various restrictions and challenges, organisations went through a sort of "Digital Jumpstart" wherein they migrated multiple activities/processes from physical mode to digital mode. Enterprises have started to accelerate their journey of digital transformation in the last one year. This trend is expected to continue over the next few years.

The market has seen a shift away from on-premises products to cloud based products/solutions, thereby causing decline in traditional voice services and accelerated adoption of conferencing, security, cloud IaaS and SaaS products.

The pandemic has highlighted importance of connectivity, with large enterprises seeking higher speeds and more data. The pandemic has caused dislocation amongst small and medium businesses ('SMB'). Going forward it is expected that the SMBs spending on ICT digital transformation solutions like cloud, digital collaboration, use of high-speed internet and security solutions will increase.

The pandemic has brought a huge shift in the way enterprise communication takes place. It has fueled the usage of video conferencing, on-net calls and greater adoption of IP based technologies for seamless business operations. This shift is expected to continue and would be a key driver for growth.

The sudden COVID-19 outbreak has hugely impacted the Indian UC market in a progressive way. Large and small enterprises have already started to migrate towards video conferencing and collaboration services for business continuity.

Indian Government continues its push to accelerate India on the Digital Transformation journey. While there are various initiatives undertaken by the Government over the years to digitise the economy, few of them are mentioned below.

- The Government of India has introduced Digital India program under which all the sectors such as healthcare, retail, etc. will be connected through internet.
- Government of India schemes such as BharatNet, Bharatmala, Startup India and Standup India, Make in India, Sagarmala, Industrial corridors, UDAN-RCS, dedicated freight corridors, and E-Kranti are interconnected with the Digital India initiative.
- The Department of Information Technology intends to set up over 1 million internet-enabled common service centres across India as per the National e-Governance Plan.
- The Government of India's National Telecom Policy 2018 has envisaged attracting investments worth US\$ 100 billion in the sector by 2022.

- Government also announced that it will connect every village in the country with Optical Fiber cable ('OFC') in the next 3 years or so.

Various government initiatives have led to UPI Transactions scaling up to 2.73 Billion when compared to 1.25 Billion in March 2020. All the above government initiatives are likely to accelerate the pace of digitisation in India.

## Key Regulatory Developments / Litigations

### Issue of licences through Saral Sanchar Portal:

- In view of Government policy on doing ease of business and making the licencing process transparent, w.e.f. July 27, 2020 all licences to be issued by DoT & WPC will be through Saral Sanchar Portal only.

### DoT HQ circular regarding monthly CAF audits:

- As per the circular if TERM Cell comes across any non-compliance which is repetitive in nature and where TSP has issues due to misinterpretation, technical issues, etc., and the TSP has the complete information and willing to take corrective action as customer appears to be genuine, in such cases audit needs to be stopped and TSP may be allowed to take corrective action and submit compliance.
- Penalty should not be levied in such cases.

### Decentralisation of Power:

- DoT vide its letter dated July 20, 2020, has delegated the responsibility of signing of all types of Unified License to respective TERM Cell in a circle.

### Aadhar based authentication as an alternate process:

- DoT vide letter dated September 29, 2020 has once again permitted the use of Aadhar based authentication as an alternate process for issuing mobile connection to individual customer along with outstation and bulk category.

### New guidelines on OSP:

DoT has issued new guidelines for OSP on November 5, 2020. Salient features are as follows:

- No registration.
- The BPO industry engaged in data-related work is out of the ambit of OSP regulations.
- Requirements such as bank guarantees, static IPs, frequent reporting obligations, publication of network diagram, penal provision etc. have also been removed.
- 'Work from Home' and 'Work from Anywhere' made easy.

### Modification in dialling pattern from fixed line to mobile

- DoT vide its letter dated November 20, 2020 has asked for modification in the dialling pattern from fixed line numbers to mobile numbers by prefixing "0" for calls originating from fixed line to mobile.
- The modified dialling pattern has been implemented in January 2021 by TTML.

#### Telecom services to Person with Disability (PwD):

- DoT has issued a circular on December 16, 2020 for provisioning of telecom services to Person with Disability (PwD).
- All TSPs need to provide priority customer services to all such PwD customers.

#### Cabinet approved setting up of Public Wi-Fi Networks by Public Data Office Aggregators to provide public Wi-Fi service through Public Data Offices without levy of any License Fee:

- Public Wi-Fi Access Network Interface will be known as PM-WANI.
- On March 21, 2021, DoT has issued instructions that all Public Data Office (PDO) will connect its wi-fi access points through network of licensed Service Providers.
- PDOs will have commercial agreement with TSPs/ISPs for internet connectivity.

#### Amendment to UASL/UL/NLD License for procurement of Telecom Equipment:

- DoT issued amendment to UASL/UL/ on March 10, 2021 and for NLD License on March 15, 2021 for procurement of Telecom Equipment.
  - The government through Designated Authority will have right to impose conditions for procurement of Telecom Equipment.
  - Designated Authority shall notify the equipment for which the security requirement related to Trusted Sources are required.
  - With effect from June 15, 2021 the Licensees shall only connect Trusted Product in their network and also seek permission from Designated Authority for upgradation of existing Network utilizing the Telecommunication Equipment not designated as Trusted product.
- In compliance to the amendment to the License Agreement for procurement of Telecommunication Equipment from Trusted Source DoT through their letter dated March 30, 2021 has asked the operators to nominate one Nodal Officer for portal being developed by Designated Authority i.e., National Cyber Security Coordinator.
- Letter of Authorisation for nomination of Nodal Officer has been submitted on April 10, 2021.

#### TRAI Regulations

In the FY 2020-2021, Telecom Regulatory Authority of India ("TRAI") introduced Regulation/s and/or amendments thereto, covering :

- Telecom Consumers Protection (Eleventh Amendment) Regulations, 2020 dated September 30, 2020. This Regulation is about Measures to protect consumers from bill shocks while using International mobile roaming services.
- The Telecommunication Interconnection Usage Charges (Sixteenth Amendment) Regulations, 2020 dated April 17, 2020. This Regulation revised the regime of fixed International Termination Charges (ITC) of ₹ 0.30 (paise thirty only) per minute to a charge to be fixed by access service providers, within a range of not less than ₹ 0.35 (paise thirty five only) per minute and not more than ₹ 0.65 (paise sixty five only) per minute. This was effective May 1, 2020.
- Telecommunication Tariff (Sixty Fifth Amendment) Order, 2020 dated June 3, 2020. TTO 65 Amendment removes capping of 100 SMS per day per SIM as per the provisions of 54th Amendment.

#### TRAI Directions

In the FY 2020-2021, apart from directions in relation to specific service providers, TRAI provided directions and/or amendments, thereto covering:

- Direction regarding Implementation of the Telecom Commercial Communications Customer Preference Regulations (TCCCPR), 2018 dated June 19, 2020. This specifies the requirement for Headers and run awareness campaign in newspapers.
- Direction on tariff advertisements dated September 18, 2020.

As per Direction, TSP's shall prominently highlight the additional Terms and Conditions and shall provide a link to the specific terms and conditions for each tariff offerings, wherever required, while disseminating tariff related information, including on their website and mobile applications, immediately.

- Direction on tariff publications dated September 18, 2020.

As per the Directions, TSP needs to Publish. details of tariff offers with essential disclosures be made available to subscribers, at the Customer Care Centers, the Points of sale, retail outlets through prominent display in electronic form and/ or through printed display of details in legible font size.

- TRAI issued Direction regarding submission of Performance Monitoring Report to the Authority under the Telecom Commercial Communication Customer Preference Regulations, 2018 on February 15, 2021. As per this Direction the frequency of PMR Report has been changed from Monthly to Quarterly basis.

#### Major Litigation

##### Dual Technology

The Cellular Operators Association of India ("COAI") challenged the DoT Press Release dated October 19, 2007 allowing the existing licensees to use dual technology i.e., CDMA operators were permitted to acquire and use GSM spectrum for providing GSM services and vice-versa ("Dual Tech Policy") before TDSAT, which upheld the Dual Tech Policy by order dated March 30, 2009. TTML GSM admin spectrum in 1800 MHz band was allocated under this Dual Tech Policy in 2008 and same has expired on September 29, 2017. COAI challenged the TDSAT order before the Supreme Court, praying that the Dual Tech Policy should be repealed and the GSM start-up spectrum should be cancelled. In case the policy is held to be invalid, there could be some financial liability for past period of about eight years during which this spectrum was held by the Company.

##### Adjusted Gross Revenue ("AGR") Definition

Please see main Directors' Report and Notes to Accounts for details.

##### One Time Spectrum Charges ("OTSC")

- After the 2G judgment by the Supreme Court in February 2012, the DoT in December 2012 levied one-time spectrum charges ("OTSC") on administratively allocated CDMA spectrum. The Government decisions dated November 8, 2012; December 28, 2012 and March 15, 2013 under which the OTSC was charged, permitted the operators to surrender the CDMA spectrum beyond 2.5 MHz (CDMA) till April 2013 in case the operators did not want to pay OTSC. The Company received a demand note from the DoT towards OTSC of ₹ 290 crores for retention of CDMA spectrum beyond 2.5 MHz (excess spectrum) with effect from



January 1, 2013 till expiry of license. The Company filed a writ petition dated April 4, 2013 before the Mumbai High Court challenging the demand. Subsequently, the Company retained 1.25 MHz (out of excess 2.5 MHz) in Mumbai and surrendered balance 1.25 MHz in August 2013 and surrendered excess spectrum in Maharashtra in November 2013 and has paid under protest OTSC of ₹ 120 crores in respect of spectrum retained in Mumbai. The surrender of the excess spectrum and the payment of OTSC by the Company is without prejudice to rights of the Company.

- Subsequently, the Mumbai High Court stayed the demand for OTSC on April 9, 2013. The matter is pending and will be listed in due course.
- Meanwhile, DoT filed in Hon'ble Supreme Court ("SC") Transfer Petition seeking transfer of three Writ Petitions including that filed by Tata Teleservices (Maharashtra) Limited, pending before Mumbai High Court, on the grounds that there would be conflicting judgments/orders if the writ petitions are not transferred, which was dismissed by Supreme Court vide orders dated September 27, 2019.

#### • **Mumbai Circle TERM Penalty**

- TTML received demand notices dated February 22, 2011; April 30, 2014; December 7, 2015; January 14, 2016 and March 31, 2016 amounting to ₹ 117.72 crores from Mumbai Circle TERM Cell imposing penalties alleging non-compliance of subscriber verification norms. It was further averred in the demand note that failing the immediate payment of the penalty, the TERM Cell may invoke and encash the bank guarantees furnished by TTML to DoT. It is a license requirement to verify credentials of each acquired customer. The penalty was challenged before the TDSAT and Delhi High Court ("HC"). Delhi HC, on March 23, 2018 directed DoT that if DoT intends to take any coercive action, it would approach the Delhi HC first. This was challenged in Delhi HC by way of Clarification Application in WP No. 3000 of 2018. Delhi HC while granting time for addressing the submissions on merits passed an interim order directing DoT to not withhold any process/permission on account of non-payment of dues, which are subject matter of the petition. The matter shall be listed in due course. The interim order continues. The revised penalty amount (due to addition of interest), as communicated by DoT on December 20, 2019 is ₹ 236.90 crores.
- TTML received additional demand note(s) amounting to ₹ 30.74 crores from Mumbai and Maharashtra Circle TERM Cell. TTML filed a writ petition before the Mumbai High Court challenging the demand notes of ₹ 19.79 crores and was granted a stay. The balance demand of ₹ 10.95 crores has been represented to TERM Cell and response is awaited. If the matter is ruled against the Company, the Company may have to pay the penalty along with interest.

#### • **MERC Order on applicability of commercial tariff on Mobile Towers**

- By way of Multiyear Tariff Order dated November 3, 2016 passed by the Maharashtra Electricity Regulatory Commission ("MERC"), the mobile towers were re-categorised and covered under the commercial tariff as against the industrial tariff applicable to the mobile towers under the previous tariff orders. The said Tariff Order dated November 3, 2016 was challenged by various

telecom operators (including TTML) as well as IP1 companies before the Appellate Tribunal for Electricity ("APTEL"), Delhi by way of appeals under Section 111 of the Electricity Act and all appeals were clubbed and heard together. Interim protection was granted by the APTEL in favour of the appellants including TTML, with a direction that subject to the outcome of the appeals filed by the telecom operators and IP1 companies before it, the appellants shall pay to the Maharashtra State Electricity Distribution Company Ltd. ("MSEDCL") the tariff in terms of industrial category including all outstanding and the current dues, without prejudice to the rights and contentions of all the parties and there shall be no coercive steps taken by MSEDCL.

- APTEL vide its Judgment dated February 12, 2020 in a batch of appeals, allowed all the appeals thereby holding that the mobile towers shall be categorised under the 'industrial tariff' and not under 'commercial tariff'. In other words, the said order of MERC is now reversed, and the industrial tariff is restored for mobile towers. A Civil Appeal has been filed in September 2020 by MSEDCL in the Supreme Court challenging the Order of APTEL dated February 12, 2020.
- The Chief Justice Bench of the Supreme Court after hearing the case briefly on October 12, 2020 ordered notice with an observation that the Telecom / Tower companies shall not recover any monies from MSEDCL which they have paid already under commercial tariff, at this stage. In the meanwhile, the industrial tariff shall continue to apply to all the telecom towers until further orders.
- Further hearing is pending in Supreme Court.

**Note** - In the meanwhile, TTML had moved its application for ITES certification last year under the current policy of the Govt. of Maharashtra and obtained the same in January/February 2021 for its important locations namely Turbhe office, Navi Mumbai (valid retrospectively from February 2020 to February 2023) and Al-aqmar office, Pune (valid from January 2021 to January 2024) and is in the process of pursuing such certification for its other locations. By this certification, TTML is entitled to draw power supplies under industrial tariff in these locations.

### **Risks and Concerns**

This section discusses the various aspects of enterprise-wide risks management. It might be noted that the risk related information outlined here is not exhaustive and is for information purpose only.

The Company has formulated a well-defined and dynamic enterprise risk management ("ERM") program, which gets reviewed and updated periodically. The program is governed by a comprehensive risk management policy, which, amongst others, includes the risk management governance structure and the risk management process.

The Central Risk Office actively monitors the risk management process. Results of the risk management activities are periodically reviewed by the management and annually presented to the Audit Committee of the Board of Directors.

The risk management process enables proactive identification, recording, tracking of risks and monitoring of mitigation plans to respond to changes in business and regulatory environment. The risk management process is embedded in all facets of Company's work systems including

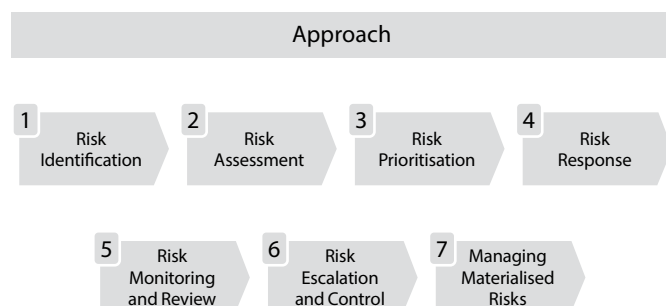
the planning & review process, thereby reassuring all stakeholders, customers, investors, employees and partners of the Company's business sustainability.

### Internal Control Systems and their Adequacy

An Audit Committee of the Board of Directors has been constituted as per the provisions of Section 177 of the Companies Act, 2013 (the "Act").

The internal audit for various functions/aspects is conducted by the independent firms, which conduct reviews and evaluation and present their reports to the Audit Committee and the management at regular intervals.

The Internal Auditors' reports dealing with internal control systems are reviewed by the Audit Committee and appropriate actions are taken, wherever necessary.



The ERM framework aims to realise the following benefits for the organization:

1. Enhance risk management;
2. Facilitate risk-based decision making;
3. Improve governance and accountability;
4. Enhance credibility with key stakeholders such as investors, employees, government, regulators, society etc.
5. Protect and enrich stakeholder value.

The Company is exposed to several risks. An effective and dynamic risk management process enables the Company to manage and mitigate the impact of these risks. The key risks facing the Company include:

#### Market and Competition Risks

Disruption may erode revenue and loss of customers. Further pricing pressure may be a threat to business sustainability.

The Company monitors the constantly evolving competition landscape to be able to offer greater value proposition to its customers..

#### Regulatory Risks

Uncertainty in micro-regulatory environment related to various pending disputes, any unfavorable outcome will lead to significant impact on the financials of the Company.

The Company continues to monitor the situation along with close engagement with agencies involved and would take appropriate action basis any further outcome.

#### Technological Risks

From a products/solutions perspective there has been a rapid evolution of technology and digital adoption during COVID pandemic thereby impacting traditional voice and data services.

Network: The Company requires to invest in new technology and innovation to match with changes in telecom space.

The Company continues to launch new products and invest in new technologies relevant for new scenario and customer need.

#### Financing Risks

Substantial debt clubbed with AGR payouts and other litigation matters puts significant risks on future financing requirements.

The Company has improved EBITDA and reduced external debt (including better debt profile) through cost optimisation, CMB demerger and infusion of funds from promoters.

#### Talent Retention Risks

Ability to attract new talent and retain key talent, maintain employee trust and morale.

The Company continues Employee Engagement through 'communication', 'recognition' & 'growth opportunities'.

#### Brand Risks

Ability to invest in Brand.

The Company continues to invest in activities for Brand Strengthening and saw a positive skew towards digital media. We created new digital properties like Digital Do Big Forum, Digital Do Big Conclaves and launched Do Big CXO Round Table. These properties have enabled the brand to digitally engage with prospective customers, existing customers and thought leaders.

#### Natural Disasters and Pandemics Risks

TTML is always under the threat of various natural disasters like floods, cyclones and landslides etc.

The recent COVID-19 global pandemic put to test TTML's business continuity plan. Your Company managed to continue providing services to customers and played an instrumental role in the speed of recovery. The Company focus was to help all businesses, especially SMEs, recover more quickly during the economic crisis and to enable other stakeholders to become more resilient through improving digital skills and driving digital inclusion.

The Company transited towards a "new normal" and emerged as trusted partners of our customers and stakeholders.

#### 1. Market and Competition Risks

##### Overall Market view for FY 21

The Enterprise Telecom Market has seen a decline in FY20-21, wherein the already declining Fixed Voice market was adversely affected by COVID-19 pandemic driven by decline in consumption of premise based fixed voice MOUs and shifting of MOUs to home. Data market growth slowed down largely attributed to decline in MPLS market due to shutdown of offices in the first two quarters and sudden decline in usage of office connectivity. Managed Services grew largely driven by increasing migration of workloads to cloud, demand for collaboration solutions driven by remote working environment and adoption of security solutions.

### Impact of COVID

- The pandemic has highlighted importance of connectivity, with large enterprises seeking higher speeds and more data. The pandemic has caused significant impact amongst small and medium businesses ('SMB'). Going forward it is estimated that the SMBs spending on ICT digital transformation solutions like cloud, digital collaboration, use of high speed internet and security solutions will increase.
- The pandemic has brought a huge shift in the way enterprise communication takes place. It has only fueled the usage of video conferencing, on-net calls and greater adoption of IP based telecommunications technologies for seamless business operations. This shift is expected to continue and would be key drivers for growth.
- The sudden COVID-19 outbreak has hugely impacted the Indian UC (Unified Communications) market in a progressive way. Large and small enterprises have already started to migrate towards video conferencing and collaboration services for the business continuity.

### Future Outlook

The overall Enterprise telecom market is expected to grow in the coming years after a market decline from FY20 to FY21 due to COVID-19 impact. As the enterprises are becoming highly resilient to tackle economic downturns, it is unlikely that COVID-19's impact will be long-term for telcos. Post-Covid, enterprises are accelerating their digital transformation with adoption of public/hybrid cloud and variety of digital solutions. This will drive surge in cloud, managed security, colocation and enterprise data services in the coming years.

With hybrid Work from Home ('WFH') becoming new normal, IP based services, like SIP Trunking and VoIP are expected to boost up revenues in the declining fixed voice services market. ISDN is expected to experience continued decline in the revenues from the enterprise segment in the forecasted period.

The market adoption of SD-WAN in India is likely to gain traction in the future as use cases and viable solutions from service providers evolve.

The SMB segment is expected to grow in the coming years. Going forward, an increase in SMB's spending on ICT digital transformation solutions such as migration to cloud, usage of high speed internet, IoT solutions, digital collaboration and secure VPN services etc. is expected to drive revenues in this segment.

### 2. Competition Risks

Our competition has started augmenting their traditional fixed wireline portfolio with cloud-based solutions across communication, collaboration and security to participate in this growing revenue stream in the market. This has been largely driven through partnerships. Your Company has also launched multiple cloud based solutions like Smartflo Cloud Communication Suite, Comprehensive Security Portfolio and a slew of Collaboration & Cloud Storage solutions to strengthen its position in this market.

Some of our competitors continue aggressive pricing in certain segments of market like toll free services which has already been facing challenges from cheaper options of call back & chatbots. Some of our competitors continue to play aggressively on price in Enterprise Data & Voice segments. The risk of our competitors launching integrated voice, data and digital solutions at aggressive price points in the SMB segment continues. We are also seeing an emerging trend of integrated cloud and network services being provided by some of our competitors. We are constantly evolving our products/solutions to be able to offer greater value proposition to our customers.

### 3. Regulatory Risks

As is evident from the Major Litigation section hereinabove, telecom industry continues to face plethora of changes and ambiguities in the regulatory space.

After the Supreme Court gave its judgement on AGR definition which was one of the major litigations of the industry, TTML has filed application in Supreme Court seeking direction to DoT to rectify mistakes in calculation and allow permissible deductions.

The Company also obtained the approvals from the regulatory, licensing and other statutory agencies for the demerger of the Consumer Mobile Business in FY 2019-2020. DoT has issued on April 28, 2020 a show cause notice to the Company asking it to show cause why penalty of ₹ 100 crores be not levied for transferring consumer mobile undertaking on July 1, 2019 without getting DoT final approval which was received on February 6, 2020. DoT also filed a petition in NCLT Delhi praying for levy of penalty under Section 232(8) of Companies Act, 2013 against TTML on similar grounds.

TTML approached TDSAT, which has directed TTML to file reply which TTML did on June 9, 2020. Now, DoT to take decision on this and TTML can approach TDSAT after DOT decision. TTML continues to monitor the situation along with close engagement with agencies involved and would take appropriate action basis any further communication from the authorities. TTML also continues to represent its case in NCLT, where the case is in progress.

The Company also continues to tackle the litigation issues (mostly legacy wireless issues) including a) Telecom Policies and Licenses in areas of dual technology, b) allocation of access and microwave spectrum, c) EMF radiation, d) security guidelines, e) EKYC of existing subscriber base, f) Minimum Rollout obligation, g) decision to charge One Time Spectrum Charges (OTSC) within the contracted quantum of spectrum, h) penalties levied by TERM cell etc. and these issues are now pending before various courts. There are significant financial penalties under challenge and those carry significant regulatory risks, in case the court judgments are not favorable to the Company.

The Company has a legal and statutory compliance program in place to continuously scan and where possible monitor, the regulatory environment, identify the changes applicable to the Company's operations and undertake measures to comply with the regulatory requirements. Further, the Policy advocacy team continues to engage with external stakeholders including regulatory bodies to ensure a harmonious relationship with various regulatory agencies.

### 4. Technological Risks

#### a) Product Technology Risks

#### Overall summary of technological evolution in the Enterprise Telecom Space

There is a rapid evolution of technology in every aspect of Enterprise Networks and Services. Technologies such as Cloud, Software Defined Networks (SDN), Network Function Virtualisation (NFV), Artificial Intelligence (AI), 5G, IoT, Virtual & Augmented Reality are enabling "Digitisation" of various Enterprises and their businesses to enter into "Industry 4.0" revolution which is currently taking place.

#### Risk to traditional voice services

Within the Enterprise portfolio, Fixed line voice services continue to witness decline on account of a number of factors such as COVID-19 pandemic, increased market saturation, shift of focus towards cloud

& conferencing solutions and disruption from newer breed of digital technologies. COVID-19 pandemic has presented itself as a huge challenge for fixed line services providers. 100% workforce has still not returned to offices and distributed workforce model is likely to continue in future.

As Hybrid WFH is becoming the new normal, certain alternatives to traditional voice are gaining further traction.

Emerging alternatives include:

- i) Increasing adoption of IP Based services like SIP Trunking which is expected to one of the fastest growing segment within Voice.
- ii) Growing trend in the market of a shift from on-premise voice services to cloud based communication solutions. From a demand side perspective, 75% of SMBs and 65% of Large Enterprise expect to have a cloud communication platform in next 1-2 years.
- iii) UC (Unified Communications) is also emerging as an important substitute for overall voice needs of enterprises.

#### Risk to traditional data services

In the Enterprise Data Segment while the traditional services like ILL, MPLS are expected to grow in the coming years, there are a few emerging technologies like SD WAN gaining traction. Also, there is an imminent threat of 5G technologies opening up new use cases which could cannibalise traditional data services. While PAN India 4G penetration has helped the operators to overcome the last mile challenge up to an extent, the Quality of Service over wireless last mile has been the issue for enterprises (specially in their remote branches).

The Company is continuously focused on mitigating the product technology risks by way of strengthening the existing product portfolio like SIP where it continues to add new features on an ongoing basis and through launch of new products/solutions like Smartflo (our new launched Cloud Communication Suite), Security Portfolio, Ultra-Lola (our low-latency data product) and many more. We are also focused on strengthening our value-added suite of services to mitigate the margin pressure in certain segments. The Company continues to evaluate multiple partnerships to strengthen its product suite.

#### b) Network Technology Risk

Telecom technology continues to evolve in both, the fixed line and the mobility domains, primarily driven by consumer needs for improved functionalities, higher capacities, and newer applications. For telecom service providers, new technologies provide the opportunity to enhance revenues and reduce costs. Adoption of new technology and retirement of legacy Network elements is an ongoing process within the Company. Few examples in the past few years include the introduction of the IP Multimedia Services (IMS) platform, OTN (Optical Transport Network), and PTN (Packet Transport Network), which enable us to provide IP (Internet Protocol) based services to our customers. Further, legacy technology, such as traditional TDM Switches and transport equipment, is reviewed and replaced on a periodic basis. Such transformation not only enables introduction of next generation services, it enhances efficiencies

and helps reduce operating costs to align with the projected growth in the Enterprise business.

The Company also has an extensive optical fibre network across the country and in the key metro cities. National, state and city authorities conduct infrastructure development such as bridges, flyovers, metro transportation networks, state & national highways, etc. which involve extensive realignment and digging of roads which are a potential threat to our network which may result in disruption of services/ down-time to our customers. The Company carries out proactive monitoring, maintenance and relocation of these underground assets to ensure optimal utilisation of resources.

DoT has issued an amendment to the license regarding certain conditions on procurement of equipment from Trusted Sources. The Company is reviewing the order and is working closely with various stakeholders including DoT on the same. If DoT mandates replacement of existing networks by equipment from Trusted Sources, it could involve significant fresh investment.

#### 5. Financing Risks

The Company's EBITDA has improved, and debt had come down in FY21 due to the demerger of the CMB business in FY20 as well as cost optimisation efforts. However, the Company continues to carry a substantial debt as of March 31, 2021, including funds borrowed for AGR payment. In addition, the Company may be required to invest significantly in capital expenditure of network infrastructure towards sustaining and growing the enterprise business. This may impose additional strain on the existing financial position of the Company.

The Company has experienced difficulties in its borrowing programs in the past and the current economic scenario on account of the COVID-19 pandemic might impact the Company's ability to refinance the debt and raise additional debt. Further, the terms of raising fresh capital may not be in line with past terms and conditions and/or may be subject to such covenants which may be challenging for the Company to adhere to thereby impacting the costs of not only incremental capital but also existing debt adversely.

In the previous years, fresh infusion of funds has been undertaken by the stake holders (Tata Teleservices Limited) to reduce bank borrowings, thereby providing comfort to the lenders on the support from the shareholders. With the above support, the Company has been able to refinance its debt in the past and believes that it should be able to continue to refinance the debt in the coming year as well. Further, a series of cost optimisation initiatives have been undertaken to reduce strain on fund requirements.

#### 6. Talent Retention Risks

Given the background of volatile and uncertain times, key talent retention assumes a significant risk. To address this and to improve employee confidence, measures have been put in place to continuously engage with the employees by way of periodic communication of key developments, ongoing rewards and recognition initiatives, etc.

Further, the Company has been working to ensure workforce optimisation by providing various internal career movements. Employee engagement and connect will be the key areas of focus in the current COVID-19 situation.



## 7. Brand Risks

### Activities done in the year gone by for Brand Strengthening

Brand investments continued during the year and saw a positive skew towards digital media. In line with the new working norms of work-from-home, the Company strengthen its digital footprints. To avoid any brand reach loss from lack of on-ground physical events and engagement, we created new digital properties like Digital Do Big Forum and Digital Do Big Conclaves. We also launched Do Big CXO Round Table to engage with CXOs from leading enterprises as part of our thought leadership forums. These formats reached out to Industry Leaders as well our existing and potential customers.

### Outlook for future

We launched "Smartflo" our advanced and ultra-flexible cloud communication suite with an integrated brand campaign across digital media. We continue to invest in our brand and marketing assets and have lined up brand interventions in the coming period which will help our brand to create positive word-of-mouth, strengthen our brand recall and brand equity.

## 8. Natural Disasters and Pandemics

TTML is always under the threat of various natural disasters like floods, cyclones and landslides. In order to ensure continuity of operations and services to customers, TTML evaluates various such risks from people, process and technology perspectives and draws up mitigation plans. Weather data is regularly monitored to be prepared for natural calamities and work out business continuity plans.

The recent COVID-19 global pandemic put to test TTML's business continuity plan. Your Company managed to continue providing services to customers and also catered to requests for upgrades and new connections. This was done keeping in mind the health and safety of our employees and customers. Continuity of operations was done with >95% of employees working from home thereby ensuring their health and safety. The market impact pertaining to COVID-19 has been covered under the section relating to market risks. The Company continues to work on various opportunities of cost optimisation which have emerged on account of the pandemic.

## 9. Cyber Security related Risk

The risks and threats of cybersecurity have multiplied manifold in the prevailing environment; due to the change in working habits and the resultant impact on the network and security architecture.

At TTL, steps have been taken to strengthen end user and mobile devices security and enhanced the proactive monitoring.

However, the residual risks remain due to proliferation in the exploits ranging from the OS kernel/Motherboard cache to zero day attacks on network devices and malware protection software.

Hence, a continuous improvement to retain the cybersecurity posture is strongly suggested.

## Opportunities and Threats

### Opportunities

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

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

The sudden COVID-19 outbreak has hugely impacted the Indian UC market in a progressive way. Large and small enterprises have already started to migrate towards video conferencing and collaboration services for the business continuity.

All of the above will be driving the demand for Enterprise Data and Managed Services.

Within segments we are likely to see an increase in SMB's spending on ICT digital transformation solutions such as migration to cloud, usage of high-speed internet, IoT solutions, digital collaboration and secure VPN services etc. and when it comes to Large Enterprises, Cloud services, Colocation and IoT based solution are likely to be the most sought-after solutions as they undergo digital transformation.

BFSI ("Banking and Financial Services Industry") and IT/ITeS (including hyper-scalers) verticals will continue to drive investments around scalable applications and customised end-to-end secured solutions such as cloud, data center and enterprise data services. These prime sectors along with Government vertical will continue to dominate the market and are expected to drive the revenue growth in the coming years. Apart from the above, Education, Retail (inc. eCommerce) are also emerging as high growth verticals.

### Threats

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

Telcos have also started offering unified, new age web-based work from home solutions like cloud virtual receptions etc., integrated with their traditional services. Most of the operators have also started entering the "Cloud Communication" domain.

There is an imminent threat of 5G on Enterprise Data services segment.

- In international markets where 5G is deployed, there are multiple use cases emerging on 5G namely enhanced broadband with AR/VR, immersive experiences, followed by massive IoT (smart grid, smart cities, smart factories); mission critical applications (remote control of infra, vehicles, medical procedures) and applications like smart grid etc.
- While there have been talks about 5G Fixed Wireless Access ("FWA"), the use cases of it being able to replace fiber are not yet prominent. One of the prominent research agencies has highlighted that at least 10 operators globally have launched FWA services for businesses. The overall impact of 5G FWA on businesses has been limited till date but could evolve over next few years.

- 5G will also allow MPLS Last Mile and Internet breakout post implementation. Currently only a small percentage of MPLS market is delivered on 4G Last Mile. We expect this to increase post 5G implementation.
- Given that the date of auction of 5G spectrum in India is not yet out, we anticipate that it may take 6-12 months for the auctions to happen. Post which operators will start the implementation. Launch on existing spectrum may face spectrum constraints. Hence, the Company estimates the risk of 5G on Enterprise Data Services to play out in the medium term.

In the Enterprise Data Segment, the prices are continuously declining across all major enterprise data services due to increasing competitive intensity.

The Company is continuously looking at various product and technology options to mitigate the imminent threats and leverage the emerging opportunities.

### Human Resources

Continue Employee Engagement through 'communication', 'recognition' & 'growth opportunities'

- Continued deployment of Reward and Recognition
- Consistent communication by leadership, on aspects impacting work-life.
- Continued focus on key HR programs such as Internal Job Postings, Appraisals, Learning & Development

Enable remote working for employees, through portals/accesses enablement via VPN.

The Company had a total of 372 employees on its rolls as on March 31, 2021.

### Quality And Processes

Like other companies in the Tata Group, the Company follows the Tata Business Excellence Model ("TBEM") as its quality and process improvement framework. TBEM is a process maturity model that is adapted from the globally acclaimed Malcolm Baldrige Performance Excellence Framework of the National Institute of Standards and Technology, US Department of Commerce.

The TBEM framework is divided into six process and one business results categories. It also has a special category on Safety to ensure stakeholder safety and health. The six process categories include Leadership; Strategy; Customer; Measurements, Information & Knowledge Management; Workforce and Operations. The Business Results section includes Product, Customer, Workforce, Leadership and Financial results. In the model,

equal weightage is given to process and business outcomes thereby ensuring a virtuous cycle for overall improvement.

The TBEM reference manual comprises of 100 plus criteria questions which help companies follow a journey of process and data maturity and improve constantly. Process Maturity is evaluated using the Approach-Deployment-Learning-Integration perspectives, while the Business Results are assessed using Levels-Trends-Comparatives-Integration framework. This balanced and holistic approach helps the Company stay on a continuous improvement path and evaluate processes against business outcomes. The TBEM framework has helped Tata companies understand and serve customers better, mitigate risks and create long term multi-stakeholder value. The Company is on a renewed journey to create enhanced value for all stakeholders through this framework.

Using TBEM as a framework, the Company is working towards further enhancing its quality of service and products provided to all stakeholders, through a plethora of initiatives, including:

- Process Optimisation by using applicable best practices from LEAN and eTOM frameworks. The Company is improving its entire process repository with efficiency and stakeholder value creation as objectives.
- Best Practice sharing and adoption from other Tata Group companies through focused sessions conducted by functional experts. Q-Talk- a monthly talk delivered by leaders from other Tata Companies, focuses on topics like Customer Centricity, Innovation, Strategy Deployment, Brand Augmentation, etc. Additionally, there are focused knowledge sharing sessions conducted by Tata companies on various areas including Customer Service Operations, Service Assurance, Safety, Ethics, etc. This is supported through a governance framework which helps accelerated deployment of these best practices, as appropriate.
- Culture of Quality improvement using initiatives like Q-Tips – a weekly mailer on business cases across the world with a message on improvement; Q-Learn – short, modular training programs on modern Quality Management Systems and enhanced participation in Tata Group-level initiatives.
- Focused Improvement Projects across the organization on various areas of customer lifecycle management, service delivery, network augmentation, risk management, quality control, etc. to improve quality of service and experience.

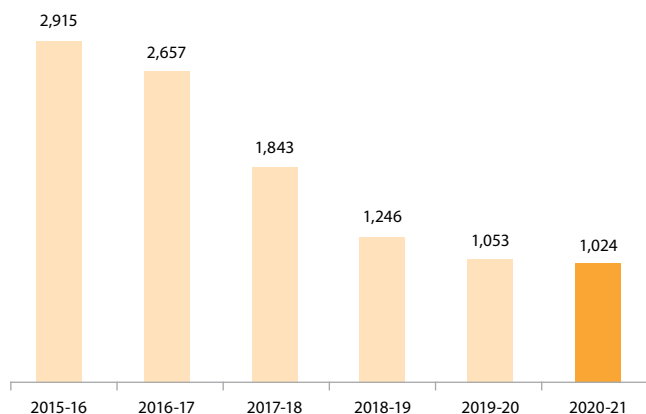
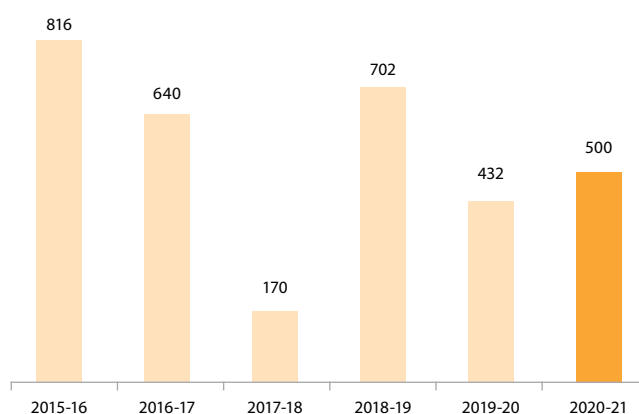
The Company is on a renewed journey to create enhanced value for all stakeholders through this multi-pronged approach.

### Key Financial Information & Operational Performance

#### Revenue from Telecommunications service

Service revenue for the year ended March 31, 2021 decreased to ₹ 1,024 crores as against ₹ 1,053 crores in the previous year. These numbers are not fully comparable since CMB business demerged w.e.f. July 1, 2019.

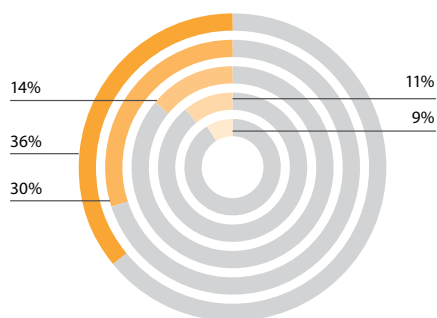
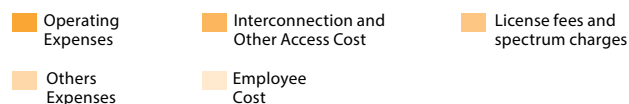


**Telecommunication Service Revenue (₹ Cr)****EBITDA (₹ Cr)****Other Income**

Other income during the year stood at ₹ 31 crores (previous year ₹ 36 crores) which included income from rendering of services to the tune of ₹ 20 crores (previous year ₹ 25 crores).

**Operating Expenses**

Operating expenses including provision for contingencies for the year were recorded at ₹ 555 crores as against ₹ 656 crores in the previous year. The major components of the total operating expenses are as follows:

**Operating Expenses (%)****Operating Expenses (%)****Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA")**

The focus during the last few years for the Company has been on optimizing its operations and increasing the asset utilisations. The Company's EBITDA reported at 47% in current year compared to 40% in previous year.

**Net Loss**

The Company's loss before exceptional items was ₹ 1,217 crores as compared to last year level of ₹ 1,284 crores. The Company reported a net loss of ₹ 1,997 crores during the year, after providing LF/SUC ₹ 780 crores.

**Balance Sheet**

The Shareholders' Funds was ₹ 18,491 crores (Negative) as at March 31, 2021 against ₹ 17,479 crores (Negative) as at March 31, 2020.

Total borrowing for the Company (including long term borrowing, short term borrowing, current maturities of long-term borrowing and long-term debt payable on demand, acceptance, payables under usance letter of credit, debt components of ICDs and deferred spectrum liability including interest) was ₹ 17,638 (excluding liability component of RPS) crores as compared to ₹ 16,701 crores in the previous year.

The Net Block (including tangible as well as intangible assets) as at March 31, 2021 decreased to ₹ 679 crores as compared to ₹ 680 crores in the previous year. The Company has assets under development and Capital Work in Progress of ₹ 29 crores and Right of use Assets of ₹ 151 crores.

## Significant Changes in Key Financial Ratios

The key financial ratios are as under:

Particulars	2020-21	2019-20
Operating Profit Margin (%) <sup>1</sup>	47%	40%
Net Profit Margin (%) <sup>1 &amp; 2</sup>	(189%)	(341%)
Return on Net Worth (%) <sup>3</sup>	NA	NA
Debt Service Coverage Ratio (DSCR) <sup>4</sup>	0.09	0.04
Interest Service Coverage Ratio (ISCR) <sup>4</sup>	0.66	0.52
Debt Equity Ratio Note <sup>1</sup>	(0.95)	(0.96)
Current Ratio <sup>2</sup> #	0.07	0.07

<sup>4</sup>EBIT<sup>4</sup> / (Interest Expenses<sup>5</sup> + Principal Repayments of Non-Current Borrowings due within 12 months from the balance sheet date)

<sup>5</sup> EBIT / Interest Expenses<sup>5</sup>

# Excluding borrowings & interest accrued but not due and assets classified as held for sale & liabilities directly associated with assets classified as held for sale.

### Note:

<sup>1</sup> The aforesaid ratios are not comparable, as CMB business has been demerged with effect from July 1, 2019.

<sup>2</sup> Provision for LF/SUC ₹ 780 Crores made during 2020-2021.

<sup>3</sup> Due to negative Net worth this ratio is not computed.

<sup>4</sup> EBIT represents Earnings before interest, tax and exceptional items.

<sup>5</sup> Interest Expenses exclude interest on liability component of Compound Financial Instruments and interest on lease liabilities as per IND AS 116.

## Outlook

The Company is projected to witness growth in the years to come on the basis of:

1. Wide Optical fiber network of ~132,000 kms. (TTSL+TTML).
2. Strong brand presence across customers in this business with deep customer relationships.
3. Wide range of customised solutions enabling to service as a "A One Stop Shop" for meeting needs of enterprise customers and enhancement of the Product portfolio, including Managed Services.
4. Robust Channel Partner Ecosystem.
5. Uniform, high quality customer experience.
6. Emerging new products portfolio.

With changing technology and increasing competition and conditions created by COVID-19 epidemic, sustaining the growth without substantial incremental investments may be challenging.

The Company may also explore opportunities to strategically restructure certain residual business lines/assets at an appropriate time.

The expectations and risks stated in this report are in the opinion of the management and may not necessarily fructify.

# Corporate Governance Report

Your Directors present the Company's Report on Corporate Governance for the year ended March 31, 2021.

## Company's Philosophy on Corporate Governance

Corporate Governance is set of practices followed to ensure that the affairs of the Company are managed in a way which would ensure its accountability, transparency and fairness in all its transactions and meet its stakeholders' aspirations and social expectations. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last.

The Company believes in highest standards of good and ethical Corporate Governance practices. Good Corporate Governance practices stem from the culture and mindset of the organization. It is also believed that Corporate Governance is not only about enacting regulations and procedures but also maintaining and establishing an environment of trust and confidence among various stakeholders. Corporate Governance is a journey for constantly improving sustainable value creation and is an upward moving target.

Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the Tata culture and ethos. The Company has a strong legacy of fair, transparent and ethical governance practices.

In order to adopt Corporate Governance practice in its true spirit, the Company has adopted a "Tata Code of Conduct" for its employees including Managing/Executive Director and senior management. In addition, the Company has also adopted a Code of Conduct for its Non-Executive Directors, which includes duties of the Independent Directors as laid down in the Companies Act, 2013 (the "Act"). These codes are available on the website of the Company. Further, the Company's Corporate Governance philosophy has been strengthened through the "Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices".

## Tata Code of Conduct

Tata Code of Conduct is a comprehensive document that serves as the ethical road map for the employees and the Company. It also inter alia governs the conduct of business in consonance with national interest, fair and accurate presentation of financial statements, being an employer providing equal opportunities to its employees, prohibition on acceptance of gifts and donations that can be intended or perceived to obtain business or uncompetitive favors, practicing political non-alignment, safe and healthy environment for its people, maintaining quality of products and services, being a good corporate citizen, ethical conduct and commitment to enhancement of stakeholders' value.

All the Directors and senior management personnel have affirmed compliance with the Code of Conduct for the Financial Year 2020-2021. The declaration by the Chief Financial Officer and Assistant Company Secretary in this respect appears elsewhere in this Report.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as applicable, with regard to corporate governance.

## Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a code under the nomenclature of "Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices" for prevention of insider trading and ensuring timely and adequate disclosures of all Unpublished Price Sensitive Information in a transparent manner.

## Board of Directors

### Composition

The composition of the Board of Directors of the Company (the "Board") is in conformity with Regulation 17 read with Regulation 25(6) of the Listing Regulations and Section 149 of the Act.

The Company has adopted the Governance Guidelines on Board Effectiveness (the "Governance Guidelines"), keeping in view the provisions of the Act and the Listing Regulations. These Governance Guidelines, amongst other things, cover aspects related to composition of the Board/Committees with adequate numbers of Executive Directors, Non-Executive Directors and Independent Directors, effective discharge of duties by individual Directors, the Board and its Committees in the best interest of the stakeholders, appointment/retirement of Directors and performance evaluation of the individual Directors, the Board as a whole and its Committees.

The Board of Directors, as on March 31, 2021, comprised of 6 (Six) Non-Executive Directors. Of the 6 (Six) Directors, 3 (Three) i.e., 50% of the total number of Directors were Independent Directors (including a Woman Director). The Company was managed by the Operations Committee under the supervision, direction and control of the Board. The Operations Committee was assisted by a team of highly qualified and experienced professionals.

None of the Directors of the Company is a Member of more than 10 Committees or Chairperson of more than 5 Committees (Committees include Audit Committee and Stakeholders' Relationship Committee) across all public companies in which he/she is a Director. All the Directors have made the necessary disclosures regarding committee positions held by them in other companies. None of the Directors of the Company is related to each other.

All the Directors are also in compliance of the limit on Independent Directorship of listed companies as prescribed in Regulation 25(2) of the Listing Regulations. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

All the Directors of the Company, except Independent Directors, are liable to retire by rotation. The Company does not have any nominee director of any financial institutions/banks.

The Board met at least once in each quarter and the maximum time gap between two Board Meetings did not exceed the limit prescribed in the Act and the Listing Regulations. 7 (Seven) Meetings of the Board of Directors were held during the year under review, viz. June 2, 2020; August 12, 2020; August 20, 2020; September 16, 2020; November 5, 2020; February 10, 2021 and March 23, 2021. The necessary quorum was present for all the meetings.

The names and categories of the Directors, their attendance at Board Meetings and at the last Annual General Meeting ("AGM") held during the year under review and number of shares of the Company held by them as on March 31, 2021 are given herein below.

Name of the Director	Director Identification Number	Category of the Director	Number of Shares held (including held by dependents)	Number of Board Meetings during the year		Attendance at AGM held on September 16, 2020
				Held	Attended	
Ms. Hiroo Mirchandani	06992518	Independent, Non-Executive	Nil	7	7	Present
Dr. Narendra Damodar Jadhav	02435444	Independent, Non-Executive	Nil	7	7	Present
Mr. Kumar Ramanathan	06364297	Independent, Non-Executive	Nil	7	7	Present
Mr. Ankur Verma	07972892	Non-Independent, Non-Executive	Nil	7	7	Present
Mr. N. Srinath	00058133	Non-Independent, Non-Executive	Nil	7	7	Present
Mr. Thambiah Elango	07973530	Non-Independent, Non-Executive	Nil	7	7	Present

The names of other listed entities in which the Director is a Director and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2021 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, Chairmanship/Memberships of only Audit Committee and Stakeholders Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations:

Name of the Director	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		Directorships held in other listed companies (Category of Directorship)
	Chairperson	Member	Chairperson	Member	
Ms. Hiroo Mirchandani	-	3	-	2	<ul style="list-style-type: none"> <li>Nilkamal Ltd. (Independent Director)</li> <li>Polycab India Ltd. (Independent Director)</li> </ul>
Dr. Narendra Damodar Jadhav	-	5	1	4	<ul style="list-style-type: none"> <li>Jain Irrigation Systems Limited (Independent Director)</li> <li>Dhani Services Limited (Independent Director)</li> </ul>
Mr. Kumar Ramanathan	-	1	-	1	Nil
Mr. Ankur Verma	-	5	-	4	<ul style="list-style-type: none"> <li>Tata Elxsi Ltd. (Non-Executive Director)</li> </ul>
Mr. N. Srinath	-	3	-	1	<ul style="list-style-type: none"> <li>Tata Communications Ltd. (Non-Executive Director)</li> </ul>
Mr. Thambiah Elango	-	-	-	-	Nil

All the information required to be placed before the Board under Part A of Schedule II to the Listing Regulations has been duly placed. Dates of the Board/Committee Meetings are decided at the beginning of the financial year and are communicated to all the Directors well in advance. Additional meetings of the Board of Directors are held when deemed necessary. The agenda alongwith the explanatory notes are circulated in advance to the Directors.

The Board periodically reviews the compliance reports of all important laws applicable to the Company.

As required under Regulation 36(3) of the Listing Regulations and Secretarial Standard 2, particulars of Directors proposed for appointment/re-appointment at this AGM are given in the Annexure to the Notice of the AGM.

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board and the names of directors who have such skills/expertise/competence:

Sr. No.	Core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board	The names of directors who have such skills/expertise/competence
1	Knowledge: understand the Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities) and knowledge of the industry in which the Company operates	Ms. Hiroo Mirchandani Dr. Narendra Damodar Jadhav Mr. Kumar Ramanathan
2	Behavioral Skills: attributes and competencies to use their knowledge and skills to interact with key stakeholders	Mr. Ankur Verma Mr. N. Srinath
3	Strategic thinking and decision making	Mr. Thambiah Elango
4	Financial Expertise	Ms. Hiroo Mirchandani Dr. Narendra Damodar Jadhav Mr. Ankur Verma Mr. N. Srinath
5	Technical/Professional skills and specialised knowledge to assist the ongoing aspects of the business	Mr. N. Srinath Mr. Thambiah Elango

### Familiarisation Programme for Independent Directors

At the time of appointment of an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. The Independent Directors of the Company were also provided with necessary documents/brochures, reports and internal policies to familiarise them about the telecom industry, business operations and functioning of various divisions/departments of the Company.

As required under Regulation 25(7) and 46 of the Listing Regulations, the details of Familiarisation program imparted to the Independent Directors are available on the Company's website at the following weblink: <https://corporate.tatateleservices.com/Downloads/ttml/Familiarisation-Programme%E2%80%93upto-FY-2020-2021.pdf>

### Committees of the Board

There are 7 (Seven) Board Committees as on March 31, 2021, which comprises 4 (Four) statutory committees and 3 (Three) other committees that have been formed, considering the needs of the Company, details of which are as follows:

### Audit Committee

#### Terms of Reference

The terms of reference of the Audit Committee as on March 31, 2021 are broadly as under:

#### 1. Financial Statements

- Oversight of the Company's financial reporting process and disclosure of its financial information, to ensure that the financial statements are correct, sufficient & credible.
- Discuss and review with the management and auditors the annual / half yearly / quarterly financial statements and auditor's report before submission to the Board, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement in the Board's report.
  - Disclosure under Management Discussion and Analysis of financial position and results of operations.
  - Review of accounting policies, practices & standards and reasons for change, if any.
  - Major accounting entries involving estimates based on exercise of judgment by management.
  - Qualifications/modified opinion in the draft audit report.

- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of related party transactions.

- Scrutinize inter-corporate loans and investments.
- Review the statement of uses/applications of funds by major category and the statement of funds utilised for purposes other than as mentioned in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights or private placement issue, and make appropriate recommendations to the Board to take up steps in this matter. These reviews are to be conducted till the money raised through the issue has been fully spent.
- Provide approval for appointment of the CFO (i.e. whole-time Finance Director or any other person leading the Finance function or discharging responsibilities related to that function) after assessing the qualifications, experience and background, etc. of the candidate.
- Review utilisation of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- Review statement of deviations pertaining to (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); (b) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

#### 2. External / Independent / Statutory Auditors

- Provide recommendations to the Board related to the appointment, re-appointment, remuneration and terms of appointment of the auditors of the Company. This would involve recommending the name of an individual or a firm as an external statutory auditor for consideration by the Board and further recommendation to the shareholders. While making recommendations, the Committee shall consider:
  - whether the qualifications and experience of the auditors are commensurate with the size and requirements of the Company.
  - any order or pending proceeding relating to matters of professional conduct against the proposed auditor before the Institute of Chartered Accountants of India or any competent authority or any Court.

To make these recommendations, the Committee may also call for any information from the proposed auditors as it may deem fit.

- Review and monitor the auditor's independence and performance and effectiveness of the audit process.
- Hold timely discussions with external/ statutory auditors regarding:
  - The nature, scope and staffing of Audit as well as post-Audit discussion / review for dealing with any area of concern prior to commencement of audit.
  - All critical accounting policies and practices.
  - Significant financial reporting issues and judgments made in connection with preparation of the Company's financial statements.
- Provide pre-approval of all audit and non-audit services that are to be rendered by the external auditor and the remuneration for the services.
- Provide approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Review, with the management, the auditor's report on the annual financial statements covering the:
  - Assessment of the accounting principles used and the significant estimates made by management,
  - Compliance with accounting and auditing standards,
  - Evaluation of the overall financial statement presentation,
  - Observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the Company,
  - Matters arising out of disqualification of any Director as per legal and regulatory provisions,
  - Any qualification, reservation or adverse remark in the auditor's report relating to the maintenance of accounts and other connected matters,
  - Adequacy and operating effectiveness of internal financial control systems,
  - Other matters which are required to be included in the audit report as per regulatory and legal provisions.
- Review, with the external auditors, certain information relating to the auditor's judgments about the quality, of the Company's accounting principles as applied to its financial reporting. This review would typically include discussion on :
  - such matters as the consistency of application of Company's accounting policies, clarity & completeness of the Company's financial statements and any related disclosures.
  - such items that have a significant impact on the representational faithfulness, verifiability & neutrality of the accounting information included in the financial statements.
- Review and suitably reply to the report(s) forwarded by the auditors on the matters where the auditors have sufficient reasons to believe that an offence involving fraud is being or has been committed against the Company by officers or employees of the Company.
- Review with the external auditor, any audit problems or difficulties and the management's response thereto.

- Resolve any disagreements of the external auditor with the management regarding financial reporting.

### **3. Internal Audit**

- Review the adequacy of the internal audit function, if any, including the structure of the internal audit department (including appointment of outsourced Internal Audit Firms), staffing and seniority of the official heading the department, the reporting structure coverage and budget, scope, coverage and frequency of internal audit.
- Review the performance of the internal audit department, including the objectivity and authority of its reporting obligation and results of internal audit.
- Discuss with internal auditors (including outsourced internal audit firms) any significant findings and follow-up thereon.
- Review findings of the internal investigations by internal auditors into matters where there is suspected fraud / irregularity / failure of internal control systems of a material nature, and reporting the matter to the Board.
- Review the appointment, removal, performance and terms of remuneration of the Chief Internal Auditor (this also includes review of appointment, removal, performance and terms of remuneration of any outsourced internal audit firms).
- Review the regular internal reports to management prepared by the internal audit department and the outsourced internal audit firms, as well as Management's response on the same.
- Review internal audit reports relating to weaknesses in internal control.
- Pre-approve any non-audit related work allotment, which may conflict with the role & independence of the Chief Internal Auditor and other internal audit team members and the outsourced internal audit firms.

### **4. Cost Audit**

- Review the appointment, re-appointment, removal and terms of remuneration of the cost auditors. This includes pre-approval of any other services that may be rendered by the cost auditors and fees pertaining thereto.
- Review and recommend the cost audit report to the Board.

### **5. Internal Control**

- Review, with the management, external and internal auditors and the outsourced internal audit firms, the quality, adequacy & effectiveness of the Company's internal control system and any significant deficiencies or material weakness in the internal controls.
- Review management letters / letters of internal control weaknesses issued by statutory auditors.
- Evaluation of Internal financial controls.

### **6. Risk Management**

- Evaluate on a regular basis the adequacy and efficacy of the risk management systems.
- Discuss with the management and provide oversight in regard to the Company's enterprise-wide risk assessment and management, including appropriate guidelines to govern the process. Specifically it is preferable that:
  - On a regular basis there should be a review of the enterprise risks (strategic, financial, operational & environmental) and mitigation strategies deployed to manage and bring these risks to an acceptable level.



- There should be a review and endorsement of the treasury policy that defines the Company's major financial risk exposures and appetite for financial risks and outlines the appropriate mitigation strategies to minimise risks arising out of foreign currency transactions, interest fluctuations, borrowings, etc.
- There should be a review of the risk disclosure statements in all public documents or disclosures.

#### 7. Whistle blowing / Vigil mechanism

- The Committee shall maintain an oversight of the adequacy of the whistle blowing/ vigil mechanisms. It shall review the Company's arrangements for its employees, stakeholders and Directors to raise concerns, in confidence, about suspected wrongdoing in the Company on matters including those related to ethics, compliance, financial reporting, accounting and auditing.
- The Committee shall ensure that these arrangements allow independent investigation of such matters and appropriate follow up action.
- The whistle blower mechanism shall provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee on appropriate or exceptional cases.

#### 8. Compliance with Regulatory Requirements and Policies

- Review the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- Review the valuation of undertakings or assets of the Company, wherever it is necessary.
- Oversee compliance with legal and regulatory requirements and also the Tata Code of Conduct ("TCoC") for the Company and its subsidiaries.
- Review at periodic intervals all pending litigations initiated by or against the Company.

#### 9. Related Party Transactions

- Review the statement of significant related party transactions submitted by the management, including the 'significant' criteria / thresholds decided by the Management.
- Provide approval for proposed transactions or any subsequent modification of transactions entered into before 1st April 2014 of the Company with related parties.
- The Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions, as mentioned in the Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014.

#### 10. Subsidiary Company Oversight

- Review the financial statements, in particular, the investments made by the unlisted subsidiary companies.
- The Chief Internal Auditor of the Company shall also be responsible for the Internal Audit and Risk Management of all subsidiary companies and, therefore, he shall report thereon to the Committee. (This will be carried out through periodic assessments either directly or through an outsourced / co-sourced arrangement).

- The following functions shall be reviewed by the Committee of a material subsidiary Company along with the holding Company's Audit Committee:

##### – Statutory Audit:

- Appointment of the auditors
- Fixing of remuneration of the auditors
- Pre-approval of services to be requisitioned
- Compliance regarding 'prohibited service', as defined in the policy
- Financial Statements
- Investments and significant transactions
- Review / oversight of the work done by the auditors.

##### – Internal Audit:

- Review the adequacy of structure and function of the Internal Audit, status of audit plan and its execution.
- Review key Internal Audit observations along with management response thereto.
- Review the status on compliance with the Tata Code of Conduct.
- Review the adequacy of risk management and the control environment.

#### 11. Other Functions

- Perform other activities related to this Charter as requested by the Board of Directors.
- The Committee shall review compliance with the provisions of these regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively. [SEBI (PIT) Regulations].
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Management Discussion and Analysis of Financial Condition and Results of Operations, statements of related party transactions, internal audit reports, fraud related reports, quarterly results, management letters to auditors, proposals and terms of appointment of internal auditors have been regularly placed before the Audit Committee for review during the year under review.

#### Composition, Meetings held and attendance

The composition of the Audit Committee of the Board is in conformity with Section 177 of the Act and Regulation 18 of the Listing Regulations. The Audit Committee meetings were also attended by the Manager, Chief Financial Officer, Statutory Auditors and Internal Auditors. The Cost Auditor is invited to attend the meeting of the Audit Committee at which Cost Audit related matters are discussed. The functional heads are also invited as and when required. The Company Secretary acts as Secretary to the Committee.

The Audit Committee met at least once in each quarter and the maximum time gap between two Audit Committee meetings did not exceed the limit prescribed in Regulation 18 of the Listing Regulations. 4 (Four) meetings of the Audit Committee were held during the year under review, viz. June 2, 2020; August 12, 2020; November 5, 2020 and February 10, 2021.

The composition of the Audit Committee as on March 31, 2021 and the details of attendance of each Member at these meetings are given below:

Name of the Member	Category	No. of Meetings during the year	
		Held	Attended
Ms. Hiroo Mirchandani (Chairperson)	Independent, Non-Executive	4	4
Dr. Narendra Damodar Jadhav	Independent, Non-Executive	4	4
Mr. Kumar Ramanathan	Independent, Non-Executive	4	4
Mr. Ankur Verma	Non-Independent, Non-Executive	4	4

The necessary quorum was present at all the meetings. Chairperson of the Audit Committee was present at the Annual General Meeting held on September 16, 2020.

## Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee ("NRC") is to oversee the selection of Directors and Senior Management Personnel based on criteria related to the specific requirement of expertise, independence and execution. The NRC evaluates the performance of Directors and Senior Management Personnel based on the expected performance criteria. NRC also recommends to the Board the remuneration payable to Directors and Senior Management Personnel of the Company.

### Terms of Reference

The Board has adopted a revised charter of the NRC for its smooth functioning covering aspects relating to composition, responsibilities, evaluation process, remuneration, Board development and reviewing HR strategy. The key terms of reference of the NRC, inter alia, are:

#### 1. Board Composition and Succession related:

- Recommend to the Board the setup and composition of the Board. This shall include "Formulation of the criteria for determining qualifications, positive attributes and independence of a director". This also includes periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Support the Board in matters related to the setup, review and refresh of the Committees.
- Devise a policy on Board diversity.
- Recommend to the Board the appointment or reappointment and removal of Directors. For the purpose of identification of prospective Directors, the Committee may be supported by Group Human Resources.
- As NRC of the parent/holding company, recommend to the Board of the parent/holding company, how the Company will vote on resolutions for appointment of Directors on the Boards of its material subsidiary companies.
- Recommend to the Board, the appointment and removal of KMP, Senior Management and Executive Team Members. The Committee shall consult the Audit Committee of the Board before recommending the appointment of the Chief Financial Officer ("CFO").

#### 2. Evaluation related:

- Carry out the evaluation of every Director's performance and support the Board and Independent Directors, as may be required, in evaluation of the performance of the Board, its Committees and Individual Directors to be carried out either by the Board, NRC or by an independent external agency and review its implementation and compliance. This shall include "Formulation of criteria for evaluation of Independent Directors and the Board."

- Oversee the performance review process for the KMP, Senior Management and Executive Team with the view that there is an appropriate cascading of goals and targets across the Company.

- Recommend to the Board whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of the performance evaluation of Independent Director.

#### 3. Remuneration related:

- Recommend the remuneration policy for the Directors, KMP, Senior Management, Executive Team and other Employees. This includes review and recommendation of the design of annual and long term incentive plan (includes deferred payment plans, equity plans, etc.) for Managing Director ("MD")/Executive Directors ("ED"), KMP, Senior Management and the Executive Team.
- While formulating such a policy, the Committee shall ensure that:
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
  - remuneration to Directors, KMP, Senior Management and Executive Team involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- The policy shall be displayed on the website of the Company. Also the salient features of the policy and any changes therein, shall be disclosed in the Board's report and the web address link shall be indicated therein at which the complete policy is available.
- On an annual basis, recommend to the Board the remuneration payable to Directors, KMP, Senior Management and Executive Team of the Company. This includes review and recommendation of actual payment of annual and long term incentives for MD/EDs, KMP, Senior Management and Executive Team.
- Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMP, Senior Management and Executive Team.
- Review matters related to voluntary retirement and early separation schemes for the Company.
- Provide guidelines for remuneration of Directors on material subsidiaries.
- As NRC of the parent/holding company, recommend to the Board of the parent/holding company how the Company will vote on resolutions for remuneration of directors on the Boards of its material subsidiary companies.
- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of Board, KMP, Senior Management and Executive Team Members. This includes review and approval of any information related to Directors, KMP, Senior Management, Executive

Team and their remuneration to be presented in the annual report or other external communications (statutory or otherwise).

**4. Board Development related:** Oversee familiarisation programmes for Directors.

**5. Review of HR Strategy, Philosophy and Practices:**

- Review HR and People strategy and its alignment with the business strategy periodically or when a change is made to either.
- Review the efficacy of HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMP, Senior Management and Executive Team).

**6. Other functions:** Perform other activities related to the charter as requested by the Board from time to time.

**Composition, Meetings held and attendance**

The composition of the NRC of the Board is in conformity with the Section 178 of the Act and Regulation 19 of the Listing Regulations.

2 (Two) meetings of the NRC were held during the year under review, viz. August 12, 2020 and August 20, 2020. The necessary quorum was present for all the meetings. The composition of the NRC as on March 31, 2021 and the details of attendance of each Member at these meetings are given below:

Name of the Member	Category	No. of Meeting(s) during the year	
		Held	Attended
Dr. Narendra Damodar Jadhav (Chairman)	Independent, Non-Executive	2	2
Ms. Hiroo Mirchandani	Independent, Non-Executive	2	2
Mr. Ankur Verma	Non-Independent, Non-Executive	2	2
Mr. N. Srinath	Non-Independent, Non-Executive	2	2

Dr. Narendra Jadhav, Chairman of the NRC was present at the Annual General Meeting held on September 16, 2020.

**Performance Evaluation Criteria for Independent Directors**

The Governance Guidelines adopted by the Company, inter alia, lay down the evaluation criteria and procedure for performance evaluation of Independent Directors. Criteria for evaluation of Independent Directors include aspects such as attendance and contribution at the Board/Committee Meetings and guidance/support to management outside Board/Committee Meetings.

The performance evaluation criteria for independent directors is determined by the NRC. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment.

**Remuneration Policy**

The Company has adopted the Remuneration Policy for its Directors, Key Managerial Personnel and other employees of the Company, which has been annexed to the Directors' Report forming part of this Annual Report.

**Remuneration paid to the Directors**

Apart from receiving sitting fees for attending meetings, none of the Non-Executive Directors have any material pecuniary relationship or transaction with the Company.

**Sitting Fee**

During the year under review, the Company revised sitting fees to be paid to Non-Executive Directors from ₹ 50,000/- to ₹ 1,00,000/- w.e.f. August 20, 2020. Accordingly, the Company paid ₹ 50,000/- per meeting held upto August 19, 2020 and ₹ 1,00,000/- per meeting held from August 20, 2020 onwards, to Non-Executive Directors for attending meetings of the Board or any Committee thereof. The Non-Executive Directors who are in the employment of any Tata Companies, were paid sitting fees of ₹ 20,000/- per meeting for attending meetings of the Board or any Committee thereof.

The Company also reimburses out-of-pocket expenses incurred by the Directors for attending the meetings and for business of the Company. The Company also arranges for air tickets, stay arrangements and local transport for travel of directors for attending any Board of Committee meetings or in connection with the business of the Company.

The Company does not have any Employee Stock Option Scheme. Further, none of the Directors of the Company is in receipt of any commission from the Company.

The details of sitting fees paid by the Company during the year are as follows:

Name of the Director	Sitting Fees (₹)
Ms. Hiroo Mirchandani	11,00,000
Dr. Narendra Damodar Jadhav	13,00,000
Mr. Kumar Ramanathan	9,50,000
Mr. Ankur Verma	3,00,000
Mr. N. Srinath	1,80,000
Mr. Thambiah Elango	6,00,000

**Stakeholders Relationship Committee**

**Terms of Reference**

The terms of reference of the Stakeholders Relationship Committee ("SRC") as on March 31, 2021, were as under:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by the shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by its Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- The SRC shall meet at least once in a year.
- To attend Meeting(s): The Chairman of the SRC shall attend the Annual General Meetings of the Company to provide any clarification on matters relating to its scope sought by the shareholders of the Company.
- The Terms of Reference shall be reviewed and reassessed by the SRC, periodically and appropriate recommendations shall be made to the Board to update the same based on the changes that may be brought about due to any regulatory framework or otherwise.

### Composition, Meetings held and attendance

The composition of the SRC of the Board is in conformity with Section 178 of the Act and Regulation 20 of the Listing Regulations. During the year under review, the Committee met once i.e., on February 17, 2021 and the necessary quorum was present at the meeting. The composition of SRC and the details of attendance of each Member at the meeting are given below:

Name of the Member	Category	No. of Meeting(s) during the year	
		Held	Attended
Dr. Narendra Damodar Jadhav (Chairman)	Independent, Non-Executive	1	1
Mr. Ankur Verma	Non-Independent, Non-Executive	1	1
Mr. N. Srinath	Non-Independent, Non-Executive	1	0

### Details of Shareholders' complaints received and resolved

The details of Shareholders' complaints received and redressed during the year under review are as follows:

Opening	Received during the year	Resolved during the year	Pending
0	2	2	0

The status of complaints is reported to the Board on a quarterly basis.

### Name and designation of the Compliance Officer

Ms. Vrushali Dhamnaskar  
Assistant Company Secretary & Compliance Officer

## Corporate Social Responsibility Committee

### Terms of Reference

The terms of reference of Corporate Social Responsibility ("CSR") Committee as on March 31, 2021 are as follows:

- To frame the CSR Policy, subject to the approval by the Board.
- To make the necessary and required modifications and variations in the CSR Policy, subject to the approval by the Board.
- To determine the amount to be expended towards the CSR activities subject to the minimum limits prescribed by the Act.

- To perform such other functions as may be necessary under any statutory or other regulatory requirements to be performed by the Committee and as delegated by the Board from time to time.

### Composition, Meetings held and attendance

During the year under review, the Committee met once i.e., on February 17, 2021, and the necessary quorum was present at the meeting. The composition and the details of attendance of each Member at the meeting are given below:

Name of the Member	Category	No. of Meeting(s) during the year	
		Held	Attended
Dr. Narendra Damodar Jadhav	Independent, Non-Executive	1	1
Mr. Ankur Verma	Non-Independent, Non-Executive	1	1
Mr. N. Srinath	Non-Independent, Non-Executive	1	0

In addition to the above, the Company also has other Committees, viz.:

- Finance Committee inter alia to consider and approve proposals for availing various loans/credit facilities and other treasury related matters within the powers delegated by the Board.
- Operations Committee.
- Allotment Committee.

## Independent Directors' Meeting

During the year under review, the Independent Directors met on August 12, 2020, inter alia, to assess the quality, content and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties. The Independent Directors, inter-alia, also reviewed the performance of Non-Independent Directors, Board as a whole, taking into account the views of non-executive directors. All the Independent Directors were present at the meeting.

## General Body Meetings

### Details of General Meetings

The Company's first statutory meeting was held on April 24, 1995. Till date, the Company has held 25 AGMs and 15 Extraordinary General Meetings of the shareholders.

The details of date, time and venue of the AGMs held during the last three years are as under:

Particulars	Date	Time	Venue
23 <sup>rd</sup> Annual General Meeting	September 29, 2018	1100 hours	"Rangaswar", 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan Mumbai, Gen. Jagannath Rao Bhosle Marg, Nariman Point, Mumbai – 400 021
24 <sup>th</sup> Annual General Meeting	September 20, 2019	1100 hours	
25 <sup>th</sup> Annual General Meeting	September 16, 2020	1100 hours	Meeting conducted through VC/OAVM pursuant to the MCA Circular

Details of Special Resolutions passed in the above referred AGMs are as under:

Particulars of the AGM	Section under which Special Resolution was passed	Purpose
23 <sup>rd</sup> Annual General Meeting held on September 29, 2018	Section 12 of the Act	Shifting of Registered Office of the Company from "Voltas Premises, T. B. Kadam Marg, Chinchpokli, Mumbai - 400 033" to "D-26, TTC Industrial Area, MIDC Sanpada, P. O. Turbhe, Navi Mumbai - 400 703" or any other place in Navi Mumbai as may be decided by the Board of Directors of the Company.
	Sections 42, 55, 62(1)(c) of the Act	To issue upto 200,00,00,000 (Two Hundred crores) RPS-4 of ₹ 100/- (Rupees One Hundred Only) each for cash at par aggregating upto an amount of ₹ 20000,00,00,000 (Rupees Twenty Thousand crores Only) on preferential basis to Tata Teleservices Limited and/or Tata Sons Limited and/or Panatone Finvest Limited in one or more tranches.
	Sections 42, 71 of the Act	To issue NCDs for an amount not exceeding ₹ 20000,00,00,000 (Rupees Twenty Thousand crores Only), at par and in one or more tranches, to the Promoters/Promoter Group companies, other bodies corporate, banks, financial institutions, other qualifying investors and/or others.
	Applicable provisions of the Act and Regulation 23 of Listing Regulations	To accept/avail Inter Corporate Deposits ("ICDs")/Loans upto an aggregate additional amount of ₹ 20000,00,00,000 (Rupees Twenty Thousand crores Only), in one or more tranches, from the Promoters/Promoter Group companies and/or other bodies corporate.
24 <sup>th</sup> Annual General Meeting held on September 20, 2019	Sections 149 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Schedule IV to the Act and Listing Regulations	Re-appointment of Ms. Hiroo Mirchandani as an Independent Director for a further term of five years with effect from March 9, 2020 upto March 8, 2025.
	Sections 42, 55, 62(1)(c) of the Act	To issue upto 150,00,00,000 (One Hundred Fifty crores) RPS-5 of ₹ 100/- (Rupees One Hundred Only) each for cash at par aggregating upto an amount of ₹ 15000,00,00,000 (Rupees Fifteen Thousand crores Only) on preferential basis to Tata Teleservices Limited and/or Tata Sons Private Limited and/or Panatone Finvest Limited in one or more tranches.
	Sections 42, 71 of the Act	To issue NCDs for an amount not exceeding ₹ 20000,00,00,000 (Rupees Twenty Thousand crores Only), at par and in one or more tranches, to the Promoters/Promoter Group companies, other bodies corporate, banks, financial institutions, other qualifying investors and/or others.
25 <sup>th</sup> Annual General Meeting held on September 16, 2020	Sections 42, 55, 62(1)(c) of the Act	To issue upto 25,00,00,000 (Twenty Five crores) Non-cumulative Redeemable Preference Shares – Series 6 ('RPS-6') of ₹ 100/- (Rupees One Hundred Only) each for cash at par aggregating upto an amount of ₹ 2500,00,00,000 (Rupees Two Thousand Five Hundred crores Only) on preferential basis to Tata Teleservices Limited ('TTSL') and/or Tata Sons Private Limited ('TSPL') and/or Panatone Finvest Limited ('PANATONE') in one or more tranches.
	Sections 42, 71 of the Act	To issue NCDs for an amount not exceeding ₹ 2500,00,00,000 (Rupees Two Thousand Five Hundred crores Only), at par and in one or more tranches.

## Postal Ballot

No resolution was passed through postal ballot during the year ended March 31, 2021. None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution by way of postal ballot.

## Means of Communication

- The quarterly, half yearly and annual financial results of the Company are published in Business Line (English) and Navshakti (regional language). The Financial results, official press releases and presentations, if any, are also displayed on the website of the Company viz. <https://corporate.tatateleservices.com/en-in/ttml>.
- The financials and other information filed by the Company from time to time with the Stock Exchanges are available on the website of the Company and website of the SEs i.e., BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). BSE has introduced online filing of information through BSE Corporate Compliance and Listing Centre and NSE has introduced NSE Electronic Application Processing System ("NEAPS"). Various reports/information as required under the Listing Regulations are filed through these systems.

## Management Discussion and Analysis

A detailed report on the Management Discussion and Analysis forms part of this Annual Report.

## General Shareholder Information

### Twenty Sixth Annual General Meeting

Date	June 28, 2021
Day	Monday
Time	1100 Hours (IST)
Venue	To be held through Video Conference or Other Audio Video Means

### Financial Year

The Company follows the April to March Financial Year.

### Date of Book Closure

Not applicable.

## Listing on the Stock Exchanges

The Company's equity shares are listed on the following SEs and the listing fees have been paid to both the SEs within the stipulated time:

Name and address of the Stock Exchanges	Stock / Scrip Code	ISIN Number
BSE Limited (BSE) P. J. Towers, Dalal Street, Mumbai – 400 001	532371	INE517B01013
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	TTML	

The Company's Commercial Papers are listed on NSE.

Corporate Identity Number (CIN) of the Company:  
L64200MH1995PLC086354

## Market Price Data

The High and Low of the Company's equity shares during each month in the last Financial Year were as follows:

Month	BSE		NSE	
	High	Low	High	Low
April 2020	3.09	2.16	3.00	1.80
May 2020	2.80	2.07	2.80	2.10
June 2020	4.55	2.69	4.45	2.70
July 2020	4.05	3.30	4.05	3.30
August 2020	3.92	3.29	3.95	3.25
September 2020	3.63	2.74	3.60	2.75
October 2020	7.82	2.75	7.45	2.70
November 2020	9.03	5.75	8.55	5.55
December 2020	8.60	6.70	8.65	6.65
January 2021	17.35	7.55	17.15	7.60
February 2021	23.20	14.40	22.80	14.25
March 2021	16.60	12.60	16.60	12.60

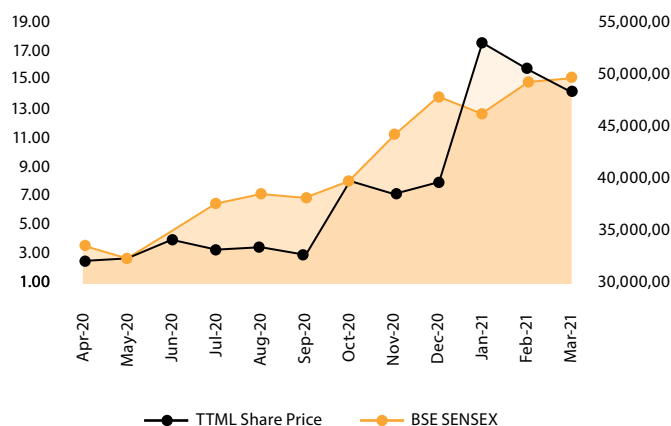
(Amount in ₹)

Source: BSE and NSE websites

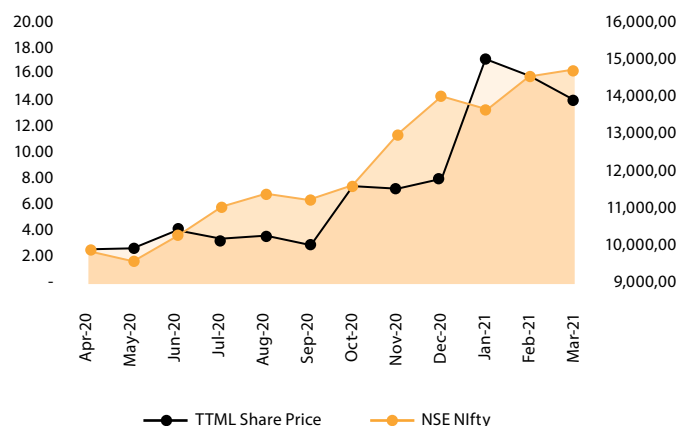
## Performance of the Company's Equity Share Price in comparison to BSE and NSE indices

The performance of the Company's equity share price (closing price) in comparison to BSE Sensex and NSE Nifty during the year under review are as under:

### Movement of Share Price vs. BSE Sensex



### Movement of Share Price vs. NSE Nifty 50





### Registrar and Share Transfer Agents

The Company has appointed TSR Darashaw Consultants Private Limited ("TSR") as its Registrar & Share Transfer Agents. Shareholders are advised to approach TSR on the following address for any shares and demat related queries and issues:

#### TSR Darashaw Consultants Private Limited

C 101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg,  
Vikhroli (West),  
Mumbai - 400 083.  
Tel.: +91 22 6656 8484  
Fax: +91 22 6656 8494  
Email: [csg-unit@tcplindia.co.in](mailto:csg-unit@tcplindia.co.in)  
Website: <https://www.tcplindia.co.in>

### Share Transfer System

In accordance with amendments to Regulation 40 of the Listing Regulations, physical transfer of shares is not permitted with effect from April 1, 2019. Therefore, request for transferring physical shares in Form SH-4 will not be accepted by the Company and/or its Registrar and Share Transfer Agent, TSR. However, transmission and transposition of shares in physical form are permitted.

Pursuant to Regulation 40(9) of the Listing Regulations, the Company obtains certificate from a Practicing Company Secretary on half-yearly basis to the effect that all the transfers are completed within 15 days from the date of lodgment of the transfer. A copy of the certificate so received is submitted to both the stock exchanges, where the equity shares of the Company are listed.

As regards transfers of dematerialised shares i.e., shares in electronic form, the same are effected through the demat accounts of the transferor/s and transferee/s maintained with the recognised Depository Participants with no involvement of the Company.

### Distribution of Equity Shareholding

The broad shareholding distribution of the Company as on March 31, 2021 with respect to categories of investors was as follows:

Category of Investors		Percentage of Shareholding	
		As on March 31, 2021	As on March 31, 2020
Promoters and Promoter Group Companies	Indian	74.36	74.36
International Investors (FIIs / NRIs / OCBs / Foreign Banks / Foreign Corporate Bodies)		0.66	0.84
Indian Financial Institutions / Banks / Mutual Funds / Insurance Companies / Central & State Government		0.00	0.01
Private Bodies Corporate / Trusts / NBFCs / LLP		1.00	1.16
Individuals / HUF		23.98	23.63
<b>Total</b>		<b>100.00</b>	<b>100.00</b>

The broad shareholding distribution of the Company as on March 31, 2021 with respect to size of holdings was as follows:

Range (No. of Shares)	% of Paid-up Capital	Total No. of Shareholders	% of Total No. of Shareholders
1 to 500	2.27	2,66,882	65.60
501 to 1,000	2.33	63,726	15.66
1,001 to 2,000	2.90	41,517	10.20
2,001 to 3,000	1.62	12,790	3.14
3,001 to 4,000	0.94	5,184	1.27
4,001 to 5,000	0.99	4,129	1.01
5,001 to 10,000	2.55	6,908	1.70
10,001 and above	86.40	5,707	1.40
<b>Total</b>	<b>100.00</b>	<b>406,843</b>	<b>100.00</b>

The quarterly shareholding patterns filed with the SEs are also available on the website of the Company and on the website of the SEs where equity shares of the Company are listed i.e., BSE and NSE.

### Dematerialization of Shares and Liquidity

The equity shares of the Company are under compulsory dematerialised form. As of March 31, 2021, 99.86% of the total equity shares issued by the Company have been dematerialised. The equity shares of the Company are available for dematerialisation with both the depositories in India i.e., National Securities Depository Limited and Central Depository Services (India) Limited.

### Outstanding Employee Stock Options, Global Depository Receipts ("GDRs"), American Depository Receipts ("ADRs") etc.

The Company does not have any Employee Stock Option Scheme. Further, Company has not issued any GDRs/ADRs/Warrants till date.

### Commodity price risk or foreign exchange risk and hedging activities

The Company has a comprehensive foreign exchange risk management policy for managing foreign currency and interest rate exposure. The Company identifies risks and exposures to be hedged from time to time and hedges these exposures at an appropriate cost. During the year under review, the Company has managed foreign exchange risk and hedged in compliance with its extant foreign exchange risk management policy. The open foreign exchange exposures are reviewed at a regular interval. Note 2.4 to the financial statements describes the accounting policy relating to the foreign currency transactions and translations. The details of the derivative financial instruments are enclosed in the Note 2.18 of the financial statements.

### Utilisation of Funds

The Company has not made any issue/allotment of equity shares during the year under review.

### Where we offer services

The Company provides its range of communications products and services to about 7.14 Lakhs subscribers in the States of Maharashtra & Goa through its telephone exchanges located at Turbhe (Navi Mumbai), Nariman Point (Mumbai), Andheri (Mumbai), Pune, Nasik, Panaji, Nagpur, Aurangabad and Kolhapur.

### Address for correspondence

Shareholders holding shares in physical mode are requested to direct all equity shares related correspondence/queries to TSR and only the non-shares related correspondence and complaints regarding TSR should be addressed to the Compliance Officer at the registered office of the Company at D-26, TTC Industrial Area, MIDC Sanpada, P.O. Turbhe, Navi Mumbai – 400 703, Maharashtra. Shareholders holding shares in electronic mode (dematerialised) should address all shares related correspondence to their respective Depository Participants only.

### Risk Management

The Company has devised a formal Risk Management framework for risk assessment, prioritisation and minimisation. Further, the Company assesses the risk management framework periodically. The scope of the Audit Committee includes review of the Company's financial and risk management framework.

### Other Disclosures

#### Disclosure on Materially Significant Related Party Transactions

All transactions entered into with Related Parties as defined under the Act and Regulation 23 of the Listing Regulations during the year under review were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Act. All Related

Party Transactions ("RPTs") were approved by the Audit Committee. The Company has entered into RPTs which were material as per the Regulation 23 of the Listing Regulations and as per the Policy for RPTs approved by the Board. The Company has obtained approval of Members for such Material RPTs. There were no materially significant RPTs during the year which in the opinion of the Board may have potential conflict with the interest of the Company at large.

Suitable disclosure as required by the Indian Accounting Standards (Ind AS) – 24 has been made in the notes to the Financial Statements.

Apart from paying sitting fees, there was no pecuniary transaction undertaken by the Company with the Independent/Non-Executive Directors during the year under review.

A Policy for Related Party Transactions, as approved by the Board, is available on the Company's website under the following web link: <https://corporate.tatateservices.com/en-in/policies-code-conduct>

### Disclosure on Whistle Blower Policy

The Company has adopted a Whistle Blower Policy which ensures protection and confidentiality to whistle blowers. The Chairman of the Audit Committee is authorised to receive from whistle blowers the Protected Disclosures under this policy. The Audit Committee is also authorised to supervise the conduct of investigations of any disclosures made by whistle blowers in accordance with the policy. No personnel of the Company have been denied access to the Audit Committee.

### Dividend Distribution Policy

As required under Regulation 43A of the SEBI Listing Regulations, The Company has adopted a Dividend Distribution Policy. A Dividend Distribution Policy, as approved by the Board, is available on the Company's website under the following web link: <https://corporate.tatateservices.com/en-in/policies-code-conduct>.

### Credit Rating

The list of all credit ratings obtained by the Company along with any revisions thereto during the year under review, for all debt instruments are given hereunder:

Rating Agency	Bank Facilities		Commercial Papers
	Long Term Rating	Short Term Rating	
CRISIL	AA- (Stable)	A1+	A1+
CARE	A+ (Stable)	A1+	A1+

### Statutory Auditors

Price Waterhouse Chartered Accountants LLP, having Firm Registration No. 012754N/N500016 have been appointed as the Statutory Auditors of the Company. During the year under review, the Company has paid ₹ 75,50,000/- for all the services, on a consolidated basis.

### Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the financial year 2020-21, there were no complaints filed, disposed of or pending.

### Compliance with non-discretionary requirements of Listing Regulations

The Company has complied with the non-discretionary requirements, relating to Corporate Governance as stipulated in the Listing Regulations.

### Implementation of discretionary requirements

The Company has implemented the following discretionary requirements relating to Corporate Governance, as specified in Part E of Schedule II of the Listing Regulations:

- The Auditors Report on Financial Statement for the year under review is unmodified.
- The Internal Auditors of the Company present their quarterly Reports to the Audit Committee.

### Certification with Respect to Financial Statements

The certificate as required pursuant to Regulation 17(8) of the Listing Regulations is periodically furnished by the Manager and the Chief Financial Officer to the Board of Directors of the Company with respect to accuracy of financial statements and adequacy of internal controls.

### Details of Compliance with respect to submission of Annual Audited Financial Results

- The Company has always complied with the requirement with respect to submission of Annual Audited Financial Results.
- Your Company, being a listed Company pursuant to Regulation 33 of the Listing Regulations, was required to submit the Financial Results to the Stock Exchanges for the quarter and half year ending September 30, 2019 on or before November 14, 2019 (i.e., forty five days from the end of the quarter). Since the said financial results were under the finalization, the same could not be submitted within the prescribed time. As per the SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018, a penalty of ₹ 5000/- per day for non-compliance shall be imposed by the Stock Exchanges. Accordingly, the Company had paid ₹ 5,900/- without holding of any tax to BSE and NSE each, as penalty for delayed submission of financial results.

Apart from above, no other penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years i.e., since April 1, 2018.

A certificate has been received from M/s. Krishna Rathi & Associates, Practicing Company Secretaries, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the companies by SEBI, Ministry of Corporate Affairs or any such statutory authorities, is annexed as a part of this Report.

### Auditors' Certificate

The certificate dated June 1, 2021 issued by Price Waterhouse Chartered Accountants LLP, Statutory Auditors, on compliance with the Corporate Governance requirements by the Company is annexed to this Report.

## Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct

This is to confirm that the Company has adopted a Code of Conduct for its employees. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. Both these codes are available on the Company's website.

We confirm that the Company has, in respect of the financial year ended March 31, 2021, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Chief Financial Officer, employees in the Vice President cadre and above and the Company Secretary.

**Kush Bhatnagar**  
Chief Financial Officer

**Vrushali Dhamnaskar**  
Assistant Company Secretary

Mumbai  
June 1, 2021

Mumbai  
June 1, 2021

## Certificate Of Non-Disqualification Of Directors

[pursuant to Regulation 34(3) and Schedule V Para-C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members of  
TATA Teleservices (Maharashtra) Limited  
Reg. Office: D-26, TTC Industrial Area, MIDC Sanpada,  
Turbhe, Navi Mumbai, Thane – 400 703

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Tata Teleservices (Maharashtra) Limited having CIN: L64200MH1995PLC086354 and having registered office at D-26, TTC Industrial Area, MIDC Sanpada, Turbhe, Navi Mumbai, Thane – 400 703 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of Appointment in the Company
1.	Mr. Srinath Narasimhan	00058133	April 1, 2020
2.	Dr. Narendra Damodar Jadhav	02435444	April 1, 2019
3.	Mr. Ramanathan Kumar	06364297	September 24, 2019
4.	Ms. Hiroo Mirchandani	06992518	March 9, 2015
5.	Mr. Ankur Verma	07972892	September 29, 2018
6.	Mr. Thambiah Elango	07973530	April 1, 2019

Ensuring the eligibility of the appointment / continuity of every director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Krishna Rathi & Associates**  
Company Secretaries

**Krishna Rathi**  
Proprietor  
FCS No.: 9359  
COP No.: 10079  
UDIN: F009359C000405689

Date: June 1, 2021  
Place: Mumbai

### Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Tata Teleservices (Maharashtra) Limited

We have examined the compliance of conditions of Corporate Governance by Tata Teleservices (Maharashtra) Limited, for the year ended March 31, 2021 as stipulated in Regulations [17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V] of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N / N500016

**Nitin Khatri**

Partner

Place: Mumbai

Date: June 1, 2021

Membership No: 110282

UDIN: 21110282AAAACP7695

# Business Responsibility Report

[Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	L64200MH1995PLC086354
2	Name of the Company	Tata Teleservices (Maharashtra) Limited
3	Registered Office Address	D-26, TTC Industrial Area, MIDC Sanpada, P.O. Turbhe, Navi Mumbai - 400 703
4	Website	<a href="http://www.tatateleservices.com">www.tatateleservices.com</a>
5	E-mail id	<a href="mailto:investor.relations@tatatel.co.in">investor.relations@tatatel.co.in</a>
6	Financial Year reported	April – March
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Wired telecommunications activities 611
8	List three key products / services that the Company manufactures / provides (as in balance sheet)	Providing telecommunication services including broadband and internet services.
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	NIL. Not Applicable
	(b) Number of National Locations	Mumbai and Rest of Maharashtra (including Goa)
10	Markets served by the Company – Local / State / National / International	States i.e., Maharashtra and Goa

## Section B: Financial Details of the Company

1	Paid up Capital (INR)	₹ 1,954,92,77,270/-
2	Total Turnover (INR)	₹ 1,043,65,62,179.40
3	Total profit after taxes (INR)	₹ (1,996,69,22,360.00)
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company did not make profits in the past 3 financial years; hence it does not have any budgeted CSR expenditure. However, in keeping with the Tata Group's philosophy of giving back to the society, employees participated in various volunteering initiatives.
5	List of activities in which expenditure in 4 above has been incurred:	As mentioned above, volunteering initiatives were undertaken and managed by the employees.

## Section C: Other Details

1	Does the Company have any Subsidiary Company / Companies?	No
2	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3	Do any other entity / entities (e.g., suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]	The Company has not made it mandatory for its suppliers / distributors to participate in its BR initiatives.

## Section D: BR Information

1	Details of Director / Directors responsible for BR	
	(a)	Details of the Director/Director responsible for implementation of the BR policy/policies: Corporate Social Responsibility Committee comprising of Directors Dr. Narendra Damodar Jadhav (DIN: 02435444), Mr. Ankur Verma (DIN: 07972892) and Mr. N. Srinath (DIN: 00058133) is responsible for implementation of the BR policy.
	(b)	Details of the BR Head
	No.	Particulars
	1	DIN Number (if applicable)
	2	Name
	3	Designation
4	Telephone Number	
5	e-mail id	

Details	
NA	
Mr. Saurav Chakrabarti	
Vice President – Quality	
91 22 66615111	
Saurav.chakrabarti@tatatel.co.in	

## 2. Principle-wise (as per NVGs) BR Policy/policies

The 9 principles outlined in the National Voluntary Guidelines are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

### (a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policy for.....	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes. The Company has adopted the Tata Code of Conduct ("TCoC") policy developed by Tata Group. The development of TCoC was done based on the comprehensive deliberations and research on the globally followed best practices.								
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Yes. The policy has been approved by the Board and signed by the appropriate Director.								
5	Does the Company have a specified Committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="https://corporate.tatateleservices.com/en-in/tata-code-conduct">https://corporate.tatateleservices.com/en-in/tata-code-conduct</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy has been formally communicated to internal stakeholders. The communication of TCoC is extended to suppliers, vendors, dealers and channel partners. The policy is available on the Company's website.								
8	Does the Company have in-house structure to implement the policy / policies?	The Company has established in-house structures to implement the policy.								
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes. The Company has Ethics / whistleblower compliance structure in place which is led by the Chief Ethics Counsellor. This ensures effective deployment of TCoC as well as a redressal mechanism for any ethical issues. A dedicated 24/7 helpline is also in place for anyone to register a complaint.								
10	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Yes. Adherence to Tata Code of Conduct and deployment in letter and spirit are discussed within the leadership team at regular intervals and reported to the Board, as appropriate.								

\* Tata Code of Conduct



**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

Not applicable

**3. Governance related to BR****(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

Yes. The BR Performance of the Company would be reviewed bi-annually.

**(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**Yes. The Company publishes BR Report every year as part of Annual Report. The weblink is <https://corporate.tatateleservices.com/en-in/ttml-annualreport>**Section E: Principle-wise Performance****Principle 1****1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No.****Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

No. The Tata Code of Conduct (TCOC) governs the process of engagement with all stakeholders with respect to all business dealings.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

In FY 2021, 03 concerns from various stakeholders were received via various channels. Of these, 01 was satisfactorily resolved as on March 31, 2021, and the remaining concerns are a work in progress to be resolved following due processes.

**Principle 2****1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company is in the business of telecommunication and provides Connectivity, Collaboration and Cloud &amp; SaaS solutions, amongst other value-added telecom services, to its customers. These services have been designed to help customers to reduce their carbon footprint by minimizing travel without compromising on business needs. This has led to a positive impact on the environment.

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):****(a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?****(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

During the year, emphasis was placed on optimum utilisation of assets leading to rollback of sites in some areas and network being aligned to serve the Customers.

The following steps were taken towards conservation of energy:

- a. Electricity and Diesel Generators are used for the powering of the Company's telephone exchanges and other network infrastructure equipment. The Company regularly reviews power consumption patterns across its network and has implemented various innovative projects including green initiatives to optimize power consumption which resulted into cost savings and reduction of carbon footprint.

- b. The initiative on energy conservation results are:

Description	FY 2020-2021	FY 2019-2020
Reduction in Energy Consumption in Million Units	0.21	0.34
Carbon footprint reduction tCO2	2,668	17,381

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

In line with the Tata Group philosophy, the Company follows a sourcing approach which considers environmental, social, and ethical factors. The Company has a stated Environment Policy and Health & Safety Policy and continually works with its vendors and suppliers to reduce the environmental impacts of sourcing. TTML's procurement policy has clauses on the sustainable sourcing, Green initiatives across the supplier life cycle process. TTML's procurement is restricted to network equipment (mostly electronic) and other standard office supplies. The sustainable sourcing for the Company starts from the supplier selection process wherein all suppliers are mandatorily required to abide by the Tata Code of Conduct, thereby committing to ethical ways of doing business in letter and spirit. This also ensures that they supply us products which promote sustainability. Once procured, the distribution and delivery process also factor in optimal route planning for reduction in carbon footprint.

The other major input for our business is electricity. The Company sources electricity from power generating companies which promote and use renewable resources for power generation. This way also the Company contributes to environment by way of reduction in carbon footprint.

**4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Keeping in mind the primary parameters of quality and reliability, the Company procures various materials from local sources, where local is defined as the State where the Company is offering its telecom services. The Company also takes initiatives in enhancing the capabilities of local and small vendors. The Company also encourages its suppliers / dealers to adopt such practices to promote local and small vendors.

**5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

The major concern for any telecom Company with regard to waste management is the volume of e-waste generated. At TTML, there is a clear directive of taking the material through various stages of screening before declaring any material as scrap. This screening process focusses on exploring reusability and recyclability of the material and looking for possible ways to prevent such scrap generation in future. Once a material is declared scrap, a designated team approves the final disposal. It is ensured that such scrap is channelised to authorised collection centers or registered dismantler(s) or recycler(s) or is returned to the pickup or take back services provided by the original equipment manufacturers. Around 10% material has been declared scrap during financial year 2020-2021.

**Principle 3**

**1. Please indicate the Total number of employees:**

Description	FY 2020-2021	FY 2019-2020
On-roll employees	323	368

**2. Please indicate the Total number of employees hired on temporary / contractual / casual basis:**

Description	FY 2020-2021	FY 2019-2020
Temporary / Contractual employees	383	424

**3. Please indicate the Number of permanent women employees:**

Description	FY 2020-2021	FY 2019-2020
On-roll women employees	49	45

**4. Please indicate the Number of permanent employees with disabilities:**

Description	FY 2020-2021	FY 2019-2020
Employees with disabilities	Nil	Nil

**5. Do you have an employee association that is recognised by management: No.**

**6. What percentage of your permanent employees is members of this recognised employee association? Not applicable.**

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	No complaints were received during the financial year 2020-2021	
2	Sexual harassment		
3	Discriminatory employment		

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Sr. No.	Particulars	Total	Imparted Training	% age
1	Permanent Employees	323	317	98
2	Permanent Women Employees	49	49	100
3	Casual/Temporary/ Contractual Employees	383	383	100
4	Employees with Disabilities	Nil	Nil	Nil

**Principle 4****1. Has the Company mapped its internal and external stakeholders? Yes / No**

Yes. The Company has defined its internal and external stakeholders. Its internal stakeholders are largely its employees (permanent and contractual) and external stakeholders are largely its Customer, Shareholders & Lenders, Government & Regulatory Authorities, Industry Associations, Network Operators, Contractors/Suppliers and Media & Academic Institutions.

**2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders.**

Yes. The Company has a CSR policy in place which guides it in identifying and helping the disadvantaged, vulnerable and marginalised stakeholders. Further, the Company is providing telecommunication services in the State of Maharashtra (including Goa) and has achieved deep rural penetration.

**3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.**

The Company, as part of the Tata Group's various CSR programs, encourages its employees to participate in various CSR initiatives to help disadvantaged, vulnerable and marginalised stakeholders. The Company has undertaken 22 CSR volunteering projects with duration of 2 to 6 months, delivered virtually under Tata ProEngage initiative. These projects are delivered through NGOs who work for the disadvantaged and marginalised community.

**Principle 5****1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

Yes. The TCoC is communicated to all stakeholders.

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

Description	FY 2020-2021	FY 2019-2020
Stakeholder Complaints received	2	2
Stakeholder Complaints resolved	2	2

**Principle 6****1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others**

Sustainability is built into the Company's business processes through the Sustainability Policy. All Suppliers, Contractors and NGOs working with the Company, subject to it being limited to the Company's contracts and arrangements, are encouraged to abide by it.

**2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

At TTML, we recognize our social and economic responsibility to act and reduce our carbon footprint and to engage constructively on climate change issues. Various organisational efforts are focused on enhancing our energy efficiency, emission reduction and finding

more carbon-neutral solutions for network operations including data centres. The approach on Energy and Climate Change management is governed by the Company's Environment Policy, Sustainability Policy, TCoC and various other Tata Group-level Climate Change policies.

This includes a commitment to continual improvement and prevention of pollution, as well as a commitment to comply with applicable legal and other environmental legislation. At a Group level, Tata Sustainability Group provides a common framework and governance mechanism for all Tata companies to implement climate change policies.

**3. Does the Company identify and assess potential environmental risks? Y/N**

Yes. The Company has the defined Enterprise Risk Management Framework and risk arising due to environmental factors are considered in the risk register. The environmental risks and consequential issues arising out of it are part of the risk assessment and mitigation process. The Company has always been sensitive to the environmental impact of Telecom Network operations and has proactively adopted various sustainable practices whenever possible.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Not applicable.

**5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

Apart from installation of energy efficient hardware, the Company through Infrastructure providers has adopted low carbon technologies including green sites and outdoor sites. Also refer to "Conservation of Energy" as appeared under "Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo" section of the Director's Report appears in this Annual Report for financial year 2020-2021 for details on the Company's energy efficiency.

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes. The Company is compliant with regular audits and all processes are aligned with respect to the safe disposal of solid and hazardous wastes and all emissions are within the limits prescribed by the CPCB and SPCB.

**7. Number of show cause / legal notices received from CPCB/SPCB which are pending (i.e., not resolved to satisfaction) as on end of Financial Year.**

No show cause / legal notices received from CPCB/SPSB during 2020-21. The Company has received 2 litigations and 3 legal notices, out of which 1 litigation is closed.

The Company had received one show cause notice from Maharashtra Pollution Control Board [MPCB] in November 2018, in connection with refusal for 'Consent to Establish' [Consent] under 'The Water (Prevention and Control of Pollution) Act, 1974', which was appropriately replied by the Company. However, MPCB rejected the Company's application for grant of Consent, against which an appeal was filed by the Company with the Appellate

Authority, Environment Department, Govt. of Maharashtra. TTML, under legal advice, has on October 20, 2020, moved a Miscellaneous Application before the Appellate Authority, in order to place on record its compliance of STP parameters and has sought directions from the Appellate Authority to refer the matter back to MPCB to reconsider MPCB's refusal to issue the 'Consent to Establish' vide its letter dated April 25, 2018.

TTML awaits response from the Appellate Authority.

## Principle 7

### 1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company participates in stakeholder consultations with the Department of Telecommunications, Government of India, Telecom Regulatory Authority of India, Cellular Operators Association of India and interactions between industry associations like FICCI, ISPAI and relevant Ministries (Department of Telecommunications, Department of Information Technology, Ministry of Home Affairs) to support long term policy formulation in the Telecom sector as well as to deal with the critical operational / business issues.

### 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes. The Company jointly with Tata Teleservices Limited ("TTSL") participated in consultations on governance and administration, sustainable business principles, inclusive development policies (with a focus on skill building and literacy), economic reforms and tax and other legislations. It also uses the TCoC as a guide for its actions in influencing public and regulatory policy.

In order to bring transparency in its decision-making process, the Telecom Regulatory Authority of India has evolved a consultative process. For important issues pertaining to Telecom sector, Consultation Papers are issued by it requesting response from stakeholders. Post response from all stakeholders, an Open House discussion is organised. The Company and TTSL jointly participate in all such consultation processes which are relevant to its line of business and puts forth its views in a fair and transparent manner. The Company also gives its inputs to the Government/Regulator as and when the same is called for.

The Company performs the function of policy advocacy in a transparent and responsible manner and takes into account the corporate as well larger national interest.

## Principle 8

### 1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. The Company has specified programmes/initiatives/projects in pursuit of Principle 8. The Company, as part of the Tata Group's umbrella programs, along with TTSL, collaborates with NGOs to implement projects in the areas of healthcare, education, employability & sustainable livelihoods. Please refer to "Report on Corporate Social Responsibility Activities" which is Annexure II to the Director's Report of the Company, during financial year 2020-2021, for detailed community engagement strategy and key initiatives.

### 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The Company did not make profits in the past three financial years; hence it does not have any budgeted CSR expenditure. However, in keeping with the Tata Group's philosophy of giving back to the society, all the initiatives are managed with internal resources of the Company jointly with TTSL through an Employee Volunteering Program, wherein we utilize the skills of our employees to support different projects/initiatives. Please refer to "Report on Corporate Social Responsibility Activities" which is Annexure II to the Director's Report of the Company, during financial year 2020-2021, for detailed community engagement strategy and key initiatives.

### 3. Have you done any impact assessment of your initiative?

Yes.

### 4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The Company did not make profits in the past three financial years; hence it does not have any budgeted CSR expenditure. However, in keeping with the Tata Group's philosophy of giving back to the society, all the initiatives are managed with internal resources of the Company jointly with TTSL through an Employee Volunteering Program, wherein we utilize the skills of our employees to support different projects/initiatives.

### 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community.

## Principle 9

### 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

The Company is engaged in the business of providing telecommunication services.

Description	FY 2020-2021	FY 2019-2020
% Customer complaints resolved	99.93	99.96
% Customer complaints open	0.07	0.04
No of consumer complaints filed against company	1	0
No. of Consumer complaints pending for disposal	10	11

### 2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

The Company being in the business of providing telecommunication services, the same is not applicable.

### 3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No such case was filed against the Company during FY 2020-2021.

### 4. Did your Company carry out any consumer survey/consumer satisfaction trends?

Yes. The Company carries out customer satisfaction surveys at regular intervals.

# Independent Auditor's Report

To the Members of Tata Teleservices (Maharashtra) Limited

Report on the audit of the financial statements

## Opinion

1. We have audited the accompanying financial statements of Tata Teleservices (Maharashtra) Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

## Basis for opinion

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

## Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>1. Accuracy of revenue recorded for telecommunication services given the complexity of the related IT systems</b></p> <p>(Refer notes 2.3 and 25 to the financial statements)</p> <p>The Company's revenue from telecommunication services is recorded through complex automated (IT) structure wherein the data is processed through multiple systems, which requires periodic reconciliation controls to ensure completeness and accuracy.</p> <p>There is an inherent risk around the accuracy of revenue recorded given the complexity of billing, rating and other relevant support systems and the impact of changing pricing models to revenue recognition (tariff structures, discounts etc.).</p>	<p>Our audit procedures included control testing and substantive procedures covering, in particular:</p> <ul style="list-style-type: none"> <li>• Understanding and evaluating the relevant IT systems and design of key controls including procedures on testing of IT general controls by involving auditor's IT specialists.</li> <li>• Testing operating effectiveness of key controls over:               <ol style="list-style-type: none"> <li>a) Capturing and recording of revenue transactions;</li> <li>b) Authorisation of rate changes and the input of this information to the billing systems;</li> <li>c) Accuracy of calculation of amounts billed to customers;</li> </ol> </li> <li>• Testing the end-to-end reconciliation from rating and billing systems to the general ledger. The testing included validating material journals processed between the rating and billing system and general ledger;</li> <li>• Performing tests on the accuracy of customer bill generation on a sample basis and testing of a sample of the credit notes issued;</li> <li>• Testing cash receipts for a sample of customers back to the customer invoice.</li> </ul> <p>Based on the procedures performed above, we did not find any material exceptions in the accuracy of telecommunication services revenue recognised during the year.</p>



Key audit matter	How our audit addressed the key audit matter
<p><b>2. Assessment of contingent liabilities and provisions for litigations</b></p> <p>(Refer note 23 –“Provisions” and note 2.15 on Companies accounting policies with regard to provision and contingent liabilities.)</p> <p>The Company has significant number of litigations related to Regulatory, Direct tax and Indirect tax matters which are under dispute with various authorities as more fully described in note 33 to the financial statements.</p> <p>The Company exercises significant judgment to determine the possible outcome of these disputes and the necessity of recognising a provision against the same. The management’s assessment is supported by advice obtained by them from independent legal/ tax consultants.</p> <p>We considered this as a Key Audit Matter as the eventual outcome of litigations is uncertain and the positions taken by the Management are based on the application of significant judgement and estimation. Any unexpected adverse outcomes could significantly impact the Company’s financial performance and financial position.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Testing design and implementation of key controls surrounding litigation, regulatory and tax procedures and assessment of probable outflow;</li> <li>• Discussing with the management and the Company’s tax and regulatory department heads to understand significant matters under litigation;</li> <li>• Obtaining and substantively testing evidences to support the management’s assessment and rationale for provisions made or disclosures of contingent liabilities including correspondence with external legal consultants;</li> <li>• Reviewing the minutes of board of directors’ meetings in respect of discussions relating to litigations/legal matters;</li> <li>• Reading external legal opinions obtained by management, where available;</li> <li>• Evaluating independence, objectivity and competence of the management’s tax/ legal consultants;</li> <li>• Monitoring and considering external information sources such as media reports to identify potential legal actions;</li> <li>• Obtaining confirmations, where appropriate, of relevant third party legal representatives and discussing with them certain material litigation, if required;</li> <li>• Testing that the adjustments arising on account of reassessment in estimates during the year are either due to changes occurred in the circumstances on which estimate was based or as a result of more information or more experience gained during the current year.</li> <li>• Assessing management’s conclusions through understanding precedents in similar cases;</li> <li>• For Direct and Indirect tax litigations, involving auditor’s tax experts to understand the current status of tax cases and monitoring changes in the disputes by reading external advice received by the Company;</li> <li>• Performing detailed procedures on the underlying calculations supporting the provisions recorded and ensuring adequacy of disclosures made.</li> <li>• Assessing the appropriateness of the disclosures made in financial statements.</li> </ul> <p>Based on the above procedures performed, we have not identified any significant exceptions relating to disclosure of contingent liabilities and accounting for provisions for litigations.</p>
<p><b>3. Assessment of Going Concern as a basis of accounting:</b></p> <p>(Refer note 1.3 to the financial statements)</p> <p>The Company has significant accumulated losses and has incurred loss during the current and earlier years. Its net worth is eroded and the current liabilities exceed its current assets as at March 31, 2021. These conditions may create a doubt regarding the Company’s ability to continue as a going concern.</p> <p>However, the financial statements have been prepared on a going concern basis in view of the financial support from the promoter company and the management’s plan to generate cash flows through operations which would enable the Company to meet its financial obligations as and when they fall due.</p> <p>We considered this to be a key audit matter because management’s assessment is largely dependent on the support letter obtained from its Promoter Company.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtaining the management assessment of appropriateness of Going Concern basis of accounting.</li> <li>• Reading the minutes of board of directors’ meetings for future business plans and discussing the same with the management to assess the Company’s ability to meet its financial obligations in the foreseeable future.</li> <li>• Assessed the actions taken by the management against the plans submitted during the previous year’s going concern assessment.</li> <li>• Verifying the support letter obtained by the Company from its Promoter indicating that Promoter will take necessary actions to organise for any shortfall in liquidity in Company that may arise to meet its financial obligations and timely repayment of debt during the period of 12 months from the balance sheet date.</li> <li>• Verifying the financial ability of the Promoter Company to support the Company from the latest audited financial statements of the Promoter Company.</li> <li>• Verifying that the Promoter Company has supported the Company in the past when the need arose.</li> </ul> <p>Based on the above procedures, we noted the management assessment of going concern basis of accounting as appropriate.</p>



## Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report, Corporate Governance Report and Other Information included in Annual 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the financial statements

6. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. 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. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditor's responsibilities for the audit of the financial statements

8. 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.
10. 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.
11. 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.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare

circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the

operating effectiveness of such controls, refer to our separate Report in "Annexure A".

- 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer note 33 to the financial statements;
  - ii. The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2021;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021;
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.
15. The Company has not paid/ provided for managerial remuneration during the year. Accordingly, provision of Section 197 is not applicable to the Company.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. 012754N/N500016

**Nitin Khatri**  
Partner

Place: Mumbai  
Date: April 26, 2021

Membership No. 110282  
UDIN: 21110282AAAABT6471

## Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Tata Teleservices (Maharashtra) Limited on the financial statements for the year ended March 31, 2021

### Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Tata Teleservices (Maharashtra) Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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.
5. 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 with reference to financial statements.

### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material

## Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Tata Teleservices (Maharashtra) Limited on the financial statements for the year ended March 31, 2021

misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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.

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration No. 012754N/N500016

**Nitin Khatri**

Partner

Place: Mumbai

Date: April 26, 2021

Membership No. 110282

UDIN: 21110282AAAABT6471

## Annexure B to Independent Auditor's Report

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Tata Teleservices (Maharashtra) Limited on the financial statements as of and for the year ended March 31, 2021

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items 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 programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on Property, plant and equipment to the financial statements, are held in the name of the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. 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 Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 33 (i) to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, duty of customs, duty of excise which have not been deposited on account of any dispute. The particulars of dues of income tax, service tax, goods and service tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in crores)*	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	34.41	2008-09 to 2011-12	High Court
Service Tax under Finance Act, 1994	Service tax	105.34	2007-08 to 2017-18	Customs Excise & Service Tax Appellate Tribunal
	Service tax	113.56	2008-09 to 2014-15	Adjudication Authority
	Service tax	55.18	2004-05 to 2012-2013	High Court
	Service tax	8.77	2015-16 to 2017-18	Additional Director General, DGGI (Adjudication)
	Service tax	2.15	2008-09 to 2017-18	Commissioner (Appeals)
Goods and Service Tax Act, 2017	Goods and Service Tax	5.04	2017-18	Commissioner of Central Tax (GST)

\* Of the above cases, total amount deposited in respect of Service Tax is ₹ 7.63 crores.

## Annexure B to Independent Auditor's Report

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Tata Teleservices (Maharashtra) Limited on the financial statements as of and for the year ended March 31, 2021

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid/ provided for managerial remuneration during the year, the provisions of Clause 3(xi) of the Order are not applicable to the Company. Also refer paragraph 15 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. 012754N/N500016

**Nitin Khatri**  
Partner

Place: Mumbai  
Date: April 26, 2021

Membership No. 110282  
UDIN: 21110282AAAABT6471



# Balance Sheet

as at March 31, 2021

	Notes	As at March 31, 2021	As at March 31, 2020
(₹ in crores)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	676.30	677.57
Right-of-use assets	4	151.21	213.44
Capital work-in-progress	5	29.30	39.18
Intangible assets	6	2.61	2.75
Other financial assets	7	13.19	11.12
Other non-current assets	8	148.70	174.53
<b>Total non-current assets</b>		<b>1,021.31</b>	<b>1,118.59</b>
<b>Current assets</b>			
Financial assets			
Investments	9	70.23	-
Trade receivables	10	78.22	121.72
Cash and cash equivalents	11	43.01	84.53
Bank balances other than above	12	0.28	-
Other financial assets	13	63.15	82.15
Income tax assets (net)	14	40.40	78.77
Other current assets	15	192.38	228.45
<b>Total current assets</b>		<b>487.67</b>	<b>595.62</b>
<b>Total Assets</b>		<b>1,508.98</b>	<b>1,714.21</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	1,954.93	1,954.93
Other equity	17	(20,445.81)	(19,434.09)
<b>Total Equity</b>		<b>(18,490.88)</b>	<b>(17,479.16)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18	9,868.86	6,138.44
Lease liabilities	39	102.23	153.77
Provisions	19	2.75	4.57
Other non-current liabilities	20	17.00	19.20
<b>Total non-current liabilities</b>		<b>9,990.84</b>	<b>6,315.98</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	21	3,090.55	4,338.14
Lease liabilities	39	34.60	39.87
Trade and other payables			
- Total outstanding dues of micro enterprises and small enterprises	35	3.54	3.61
- Total outstanding dues other than micro enterprises and small enterprises		260.83	287.46
Other financial liabilities	22	6,488.36	6,262.78
Provisions	23	55.63	1,866.94
Other current liabilities	24	75.51	78.59
<b>Total current liabilities</b>		<b>10,009.02</b>	<b>12,877.39</b>
<b>Total Equity and liabilities</b>		<b>1,508.98</b>	<b>1,714.21</b>

The accompanying notes form an integral part of these financial statements

In terms of our report attached

**For Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number - 012754N/N500016

**Nitin Khatri**

Partner

Membership Number: 110282

Place : Mumbai

Date : April 26, 2021

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

**Hiroo Mirchandani**

(Director)

(DIN No. 06992518)

Place : Gurugram

**Kush S. Bhatnagar**

(Chief Financial Officer)

Place : Mumbai

Date : April 26, 2021

**N. Srinath**

(Director)

(DIN No. 00058133)

Place : Mumbai

**Vrushali Dhamnaskar**

(Asst. Company Secretary)

Place : Mumbai

Date : April 26, 2021

# Statement of Profit and Loss

for the year ended March 31, 2021

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
(₹ in crores)			
<b>Income</b>			
Revenue from operations	25	1,043.66	1,077.74
Other income	26	11.26	10.60
<b>Total Income</b>		<b>1,054.92</b>	<b>1,088.34</b>
<b>Expenses</b>			
Employee benefit expenses	27	49.37	59.12
Operating and other expenses	28	505.40	596.92
<b>Total expenses</b>		<b>554.77</b>	<b>656.04</b>
<b>Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)</b>		<b>500.15</b>	<b>432.30</b>
Depreciation and amortisation expenses	29	(168.73)	(194.98)
Finance costs	30	(1,561.14)	(1,545.07)
Finance income	31	10.90	5.76
Profit on sale of investments		1.94	18.16
<b>Loss before exceptional items and tax</b>		<b>(1,216.88)</b>	<b>(1,283.83)</b>
Exceptional items (net)	32	(779.81)	(2,430.28)
<b>Loss before tax</b>		<b>(1,996.69)</b>	<b>(3,714.11)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax	42	-	-
<b>Loss after tax</b>		<b>(1,996.69)</b>	<b>(3,714.11)</b>
<b>Other comprehensive income/ (loss)</b>			
<b>Items that may be reclassified to profit and loss</b>			
Effective portion of gain on designated portion of hedging instruments in cash flow hedge		0.70	0.91
<b>Items that will not be reclassified to profit and loss</b>			
Remeasurements of defined benefit plans		0.75	(0.26)
<b>Total other comprehensive income</b>		<b>1.45</b>	<b>0.65</b>
<b>Total comprehensive loss for the year</b>		<b>(1,995.24)</b>	<b>(3,713.46)</b>
<b>Loss per equity share (Face value of ₹ 10 each)</b>	41		
Basic (In ₹)		(10.21)	(19.00)
Diluted (In ₹)		(10.21)	(19.00)

The accompanying notes form an integral part of these financial statements

In terms of our report attached

For Price Waterhouse &amp; Co Chartered Accountants LLP

Firm Registration Number - 012754N/N500016

Nitin Khatri

Partner

Membership Number: 110282

Place : Mumbai

Date : April 26, 2021

For and on behalf of the Board of Directors

Hiroo Mirchandani

(Director)

(DIN No. 06992518)

Place : Gurugram

Kush S. Bhatnagar

(Chief Financial Officer)

Place : Mumbai

Date : April 26, 2021

N. Srinath

(Director)

(DIN No. 00058133)

Place : Mumbai

Vrushali Dhamnaskar

(Asst. Company Secretary)

Place : Mumbai

Date : April 26, 2021

# Statement of Changes in Equity

for the year ended March 31, 2021

For the year ended March 31, 2021

(₹ in crores)

	Equity Share Capital	Other Equity				Total
		Equity component of compound financial instruments	Reserves and Surplus		Other Reserves	
			Securities premium	Retained earnings	Cash flow hedge reserves	
<b>Balance as on April 1, 2020</b>	1,954.93	3,150.92	525.43	(23,109.74)	(0.70)	(17,479.16)
Loss for the year	-	-	-	(1,996.69)	-	(1,996.69)
Effective portion of gain on designated portion of hedging instruments in cash flow hedge	-	-	-	-	0.70	0.70
Remeasurements of defined benefit plans	-	-	-	0.75	-	0.75
<b>Transactions with owners with their capacity as owners:</b>						
0.1% redeemable preference shares to Tata Teleservices Limited	-	337.98	-	-	-	337.98
0.1% inter-corporate deposits from Tata Teleservices Limited	-	645.54	-	-	-	645.54
<b>Balance as on March 31, 2021</b>	<b>1,954.93</b>	<b>4,134.44</b>	<b>525.43</b>	<b>(25,105.68)</b>	<b>-</b>	<b>(18,490.88)</b>

For the year ended March 31, 2020

(₹ in crores)

			Other Equity			
	Equity Share Capital	Equity component of compound financial instruments	Reserves and Surplus		Other Reserves	Total
			Securities premium	Retained earnings	Cash flow hedge reserves	
Balance as on April 1, 2019	1,954.93	2,038.82	525.43	(19,337.40)	(1.61)	(14,819.83)
Change in accounting policy	-	-	-	(24.29)	-	(24.29)
Restated Balance as on April 1, 2019	1,954.93	2,038.82	525.43	(19,361.69)	(1.61)	(14,844.12)
Loss for the year	-	-	-	(3,714.11)	-	(3,714.11)
Effective portion of gain on designated portion of hedging instruments in cash flow hedge	-	-	-	-	0.91	0.91
Remeasurements of defined benefit plans	-	-	-	(0.26)	-	(0.26)
Transactions with owners with their capacity as owners:						
Equity component of loan from Tata Teleservices Limited	-	76.77	-	-	-	76.77
0.1% inter-corporate deposits from Tata Teleservices Limited	-	1,035.33	-	-	-	1,035.33
Consideration to the shareholders pursuant to the scheme of demerger of CMB (Refer note 1.2 and 32(b))	-	-	-	(33.68)	-	(33.68)
Balance as on March 31, 2020	1,954.93	3,150.92	525.43	(23,109.74)	(0.70)	(17,479.16)

The accompanying notes form an integral part of these financial statements

In terms of our report attached

**For Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number - 012754N/N500016

**Nitin Khatri**

Partner

Membership Number: 110282

Place : Mumbai

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

**Hiroo Mirchandani**

(Director)

(DIN No. 06992518)

Place : Gurugram

**Kush S. Bhatnagar**

(Chief Financial Officer)

Place : Mumbai

**N. Srinath**

(Director)

(DIN No. 00058133)

Place : Mumbai

**Vrushali Dhamnaskar**

(Asst. Company Secretary)

Place : Mumbai

Date : April 26, 2021

Date : April 26, 2021

Date : April 26, 2021

# Cash Flow Statement

for the year ended March 31, 2021

	(₹ in crores)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>A Cash flows from operating activities</b>		
Loss before tax	(1,996.69)	(3,714.11)
Adjustments for :		
Depreciation and amortisation expenses	168.73	194.98
Exceptional items (net)	778.58	1,761.67
Gain on discontinuation of lease as per IND AS 116	(4.40)	(4.63)
Gain on disposal of property, plant and equipment/ written off (net)	(0.64)	(2.09)
(Gain)/ loss on financial assets mandatorily measured at FVTPL	(0.12)	7.30
Profit on sale of investments	(1.94)	(18.16)
Foreign exchange (gain)/ loss (net)	(0.40)	0.58
Finance income	(2.14)	(5.76)
(Gain)/ loss on derivatives not designated in hedge accounting relationship	0.36	(0.60)
Provision/ liability no longer required written back	(1.38)	-
Finance costs	1,561.14	1,545.07
	<b>501.10</b>	<b>(235.75)</b>
<b>Movement in working capital:</b>		
(Increase)/ decrease in trade receivables	43.50	(25.12)
(Increase)/ decrease in financial assets	17.50	(7.25)
Decrease in other assets	61.61	35.14
(Decrease) in trade payables	(89.53)	(95.32)
Increase/ (decrease) in financial liabilities	0.66	(0.61)
(Decrease) in other liabilities	(4.65)	(8.62)
Increase/ (decrease) in provisions	(1.34)	2.18
	<b>27.75</b>	<b>(99.60)</b>
<b>Cash generated from/(used) in operations</b>	<b>528.85</b>	<b>(335.35)</b>
Taxes paid (net of refunds)	38.37	(24.37)
<b>Cash generated from/(used) in operating activities</b>	<b>567.22</b>	<b>(359.72)</b>
<b>B Cash flow from investing activities</b>		
Payments for property, plant and equipment (including CWIP and capital advances)	(113.77)	(109.91)
Proceeds from disposal of property, plant and equipment	3.79	0.52
Finance income	1.63	0.02
Payments for purchase of investments	(791.10)	(3,208.40)
Proceeds from sale of investments	722.93	3,827.89
<b>Cash generated from/(used) in investing activities</b>	<b>(176.52)</b>	<b>510.12</b>

# Cash Flow Statement

for the year ended 31 March 2021

	(₹ in crores)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>C Cash flow from financing activities</b>		
Proceeds from borrowings	15,318.47	28,882.08
Repayment of borrowings	(15,347.43)	(28,462.21)
Payments of lease liabilities - principal	(38.72)	(37.71)
Finance costs paid	(364.54)	(619.16)
<b>Cash (used) in financing activities</b>	<b>(432.22)</b>	<b>(237.00)</b>
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(41.52)</b>	<b>(86.60)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>84.53</b>	<b>171.13</b>
<b>Cash and cash equivalents at the end of the year (Refer note 11)</b>	<b>43.01</b>	<b>84.53</b>
	<b>(41.52)</b>	<b>(86.60)</b>

## Notes:

### Non-cash investing and financing activities:

In previous year, Pursuant to the scheme and related agreements entered between the Company and BAL, assets and liabilities pertaining to CMB undertaking have been transferred to BAL. (Refer note 1.2).

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

In terms of our report attached

#### For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number - 012754N/N500016

#### Nitin Khatri

Partner

Membership Number: 110282

Place : Mumbai

Date : April 26, 2021

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

#### Hiroo Mirchandani

(Director)

(DIN No. 06992518)

Place : Gurugram

#### Kush S. Bhatnagar

(Chief Financial Officer)

Place : Mumbai

Date : April 26, 2021

#### N. Srinath

(Director)

(DIN No. 00058133)

Place : Mumbai

#### Vrushali Dhamnaskar

(Asst. Company Secretary)

Place : Mumbai

Date : April 26, 2021

# Notes

forming part of the financial statements as at and for the year ended March 31, 2021

## Note 1:

### 1.1 Background

Tata Teleservices (Maharashtra) Limited ("the Company" or "TTML") part of the Tata Group, having its registered office at "D-26, TTC Industrial Area, MIDC Sanpada, P.O. Turbhe, Navi Mumbai - 400 703", was incorporated on March 13, 1995. The Company is a licensed telecommunications services provider. The Company presently holds Unified Licenses ("UL") with Access Service authorisation for Mumbai and Maharashtra Licensed Service Area and Internet Services authorisation for ISP Category 'A' – National service area. The Company is focused on providing various wire line voice, data and managed telecom services.

As at March 31, 2021, Tata Teleservices Limited, the holding Company owns 48.30% of Company's equity shares and Tata Sons Private Limited (the Promoter), the ultimate holding Company owned 19.58% of the Company's equity share capital. These financial statements have been approved by the Company's Board of Directors on April 26, 2021.

The equity shares of the Company are listed on Bombay Stock Exchange ("BSE") & National Stock Exchange ("NSE") and the Commercial Papers are listed on National Stock Exchange in India.

### 1.2 Demerger of Consumer Mobile Business

The Scheme of Arrangement amongst Tata Teleservices (Maharashtra) Limited ("TTML") and Bharti Airtel Limited ("BAL") and their respective shareholders and creditors ("Scheme") for transfer of the Consumer Mobile Business (CMB) of TTML to BAL became effective on July 1, 2019.

Pursuant to the Scheme of arrangement and related agreements entered between the Company and Bharti Airtel Limited ("BAL"), assets and liabilities pertaining to CMB undertaking have been transferred to BAL.

#### As per Scheme:

- Equity Shareholders of the Company have received 1 BAL Equity share against 2014 shares held on the effective date.
- All (and not each) Redeemable Preference Shares (RPS) Holders of the Company have received 10 RPS of BAL of face value ₹ 100 each in proportion to their shareholding on the effective date.

#### Indemnification:

Pursuant to the Scheme and other related agreements executed between the Company and BAL, the Company has transferred certain assets and liabilities, including contingent liabilities, which are under indemnification. As agreed between the Company and BAL, all indemnified liabilities and obligations shall be deemed to have been borne entirely by the Company and not by BAL, and any payment default in relation to such obligation by the Company shall be governed by the relevant agreements. In relations to assets, BAL shall promptly on receipt of any payments in relation to the indemnified assets (including any interest payments received thereof) from the third parties pay to the Company such amounts (net of any cost and taxes incurred in relation to such indemnified assets).

### 1.3 Going concern

The accumulated losses of the Company as of March 31, 2021 have exceeded its paid-up capital and reserves. The Company has incurred net loss for the year ended March 31, 2021 and the Company's current liabilities exceeded its current assets as at that date. The Company has obtained a support letter from its Promoter indicating that the Promoter will take necessary actions to organise for any shortfall in liquidity during the period of 12 months from the balance sheet date. Based on the above, the Company is confident of its ability to meet the funds requirement and to continue its business as a going concern and accordingly, the financial statements have been prepared on that basis.

### 1.4 COVID-19 pandemic

The impact of the COVID-19 pandemic has been felt across the economy and business segments. With the relaxation of lockdown from June 2020 onwards, the demand for the Company's products and services have seen an uptick from June 2020. In preparation of these financial statements, the Company has taken into account both the current situation and likely future developments and has considered internal and external source of information to arrive at its assessment. The Company has considered such impact to the extent known and available currently. However, the COVID-19 situation continues to evolve particularly with respect to the second wave in parts of the country since the beginning of April 2021 and the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. Hence, the Company will continue to monitor any material changes to future economic conditions which may have any bearing on the Company's operations.

## Note 2: Significant accounting policies

### 2.1 Basis of preparation of financial statements

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the 'Act') [Companies (Indian Accounting Standards) Rules, 2015 (as amended)] and other relevant provisions of the Act.

These financial statements have been prepared on the historical cost basis, except for certain assets and liabilities which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest crores, except when otherwise indicated.

### 2.2 Significant accounting estimates and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial



# Notes

forming part of the financial statements as at and for the year ended March 31, 2021

statements and the reported amounts of income and expense for the periods presented.

The estimates and judgments 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 may have a financial impact on the Company and that are believed to be reasonable under existing circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the following areas, the management of the Company has made critical judgments and estimates.

## i. Impairment assessment of Property, Plant and Equipment

An impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds its recoverable amount. Recoverable amount is the higher of its fair value less costs to sell and its value in use. The value in use calculation is based on a discounted cash flow model. In calculating the value in use, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of growth in EBITDA, long term growth rates; and the selection of discount rates to reflect the risks involved. Also, Judgment is involved in determining the CGU and impairment testing.

## ii. Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. After considering market conditions, industry practice, technological developments and other factors, the Company determined that the current useful lives of its PPE remain appropriate. However, changes in economic conditions of the markets, competition and technology, among others, are unpredictable and they may significantly impact the useful lives of PPE and therefore the depreciation charges. Refer note 3(3).

## iii. Expected Credit Loss on Trade Receivable and unbilled revenue

Trade receivables do not carry any interest and are stated at their nominal value as reduced by provision for impairment. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. Individual trade receivables are written off when management deems them not to be collectible (Refer note 10).

## iv. Contingent Liabilities and provisions

The contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. The Company evaluates the obligation through Probable, Possible or Remote model ('PPR'). In making the evaluation for PPR, the Company take into consideration the Industry perspective, legal and technical view, availability of documentation/ agreements, interpretation of the matter, independent opinion from professionals (specific matters) etc. which can vary based on subsequent events. The Company provides the liability in the books for probable cases, while possible cases are shown as Contingent Liability. The remote cases are not disclosed in the financial statement. Contingent assets are neither recognised nor disclosed in the financial statements.

## v. Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## vi. Fair value measurement and valuation

Some of Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset and liabilities, the Company uses market – observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 2.17 and 37.

## vii. Going Concern

The Company prepares the financial statement on a Going Concern basis in view of financial support from promoter company and assuming the cash flows generation from the continuation of operations, outflow for capital expenditure and the repayment obligations of debt and interest for the next twelve months. In calculating the cash flow generation from the business, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectations of earnings, interest cost and capex outflow to reflect the risks involved. The Company also make certain assumptions regarding the continuation of credit from lenders.

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## viii. Provision for foreseeable loss on long term contracts

Provision for foreseeable losses on long term contracts is primarily on account of various contracts with IP vendors which became onerous due to closure of IP sites before the agreed lock in period. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefit expected to be received under it.

## ix. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The application of Ind AS 116 requires company to make judgements and estimates that affect the measurement of right-of-use assets and liabilities. The Company uses significant judgement in assessing the lease term and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the relevant facts and circumstances. Estimates are required to determine the appropriate discount rate used to measure lease liabilities.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

## 2.3 Revenue

Revenue is recognised 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. Revenue is recognised as and when each distinct performance obligation is satisfied.

### Service revenues

Service revenues mainly pertain to usage, subscription and activation charges for voice, data, messaging and value added services. It also includes revenue from interconnection / roaming charges for usage of the Company's network by other operators for voice, data, messaging and signaling services. The Company recognises revenue from these services as they are provided. Usage charges are recognised based on actual usage. Subscription charges are recognised over the estimated customer relationship period or subscription pack validity period, whichever is lower. Revenues in excess of invoicing are classified as unbilled revenue which is

grouped under other current financial assets whereas invoicing/ collection in excess of revenue are classified as Unearned revenue which is grouped under other current and non-current liabilities.

Service revenue from activation and installation for certain customers, and associated acquisition costs are amortised over the period of agreement/ lock in period since the date of activation of service.

The Company has entered into certain multiple-element revenue arrangements which involve the delivery or performance of multiple products, services or right-to-use assets. At the inception of the arrangement, all the deliverables therein are evaluated to determine whether they represent distinct performance obligations, and if so, they are accounted for separately. Total consideration related to the multiple element arrangements is allocated to each performance obligation based on their standalone selling prices.

Deferred contract costs are incremental costs of obtaining a contract which are recognised as contract assets and amortised over average customer life. However, such incremental costs are recognised as expense if the amortisation period of the asset that the entity would have otherwise recognised is one year or less.

For accounting policy of interconnect revenues, refer note 2.5.

## 2.4 Foreign Currencies

### Functional and Presentation Currency

Items included in the financial statements of the Company is measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Company's financial statements are presented in Indian Rupees (INR), which is also the Company's functional and presentation currency.

### Initial Measurement

Transactions in foreign currencies on initial recognition are recorded at the prevailing exchange rate between the Company's functional currency and the foreign currency on the date of the transaction. However, for practical reasons, the Company uses an average rate if the average approximates the actual rate at the date of the transaction.

### Subsequent Measurement

At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on restatement at each balance sheet date of the company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or the statement of

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profit and loss is also recognised in other comprehensive income or the statement of profit and loss respectively).

## 2.5 Interconnect revenues and costs (Access charges)

The Telecom Regulatory Authority of India (TRAI) issued Interconnection Usage Charges Regulation 2003 ('IUC regime') effective May 1, 2003 and subsequently amended the same from time to time. Under the IUC regime, with the objective of sharing of call/Short Message Services ('SMS') revenues across different operators involved in origination, transit and termination of every call/SMS, the Company pays interconnection charges (prescribed as rate per minute of call time and per SMS) for all outgoing calls and SMS originating in its network to other operators. The Company receives certain interconnection charges from other operators for all calls and SMS terminating in its network.

Accordingly, interconnect revenues are recognised as those on calls/SMS originating in another telecom operator network and terminating in the Company's network. Interconnect cost is recognised as charges incurred on termination of calls/SMS originating from the Company's network and terminating on the network of other telecom operators. The interconnect revenue and costs are recognised in the financial statement on a gross basis and included in service revenue and Interconnection and other access costs in the statement of profit and loss, respectively.

## 2.6 License fees and Spectrum Charges

The license entry fee/spectrum fees has been recognised as an intangible asset and is amortised on straight line basis over the remaining license period from the date when it is available for use in the respective circles/spectrum blocks. License entry fee/spectrum fees includes interest on funding of license entry fee/spectrum fees and bank guarantee commission up to the date of spectrum available for use in the respective circles.

Fees paid for migration of the original license to the Unified license is amortised over the remaining period of the license for the respective circle from the date of migration to Unified licenses/ payment of the license fees on straight line basis. Fees paid for obtaining in-principle approval to use alternate technology under the existing Unified licenses has been recognised as an intangible asset and is amortised from the date of approval over the balance remaining period of the Unified licenses on straight line basis for the respective circles.

## 2.7 Revenue sharing fee

Revenue sharing fee on license and spectrum is computed as per the licensing agreement at the prescribed rate and expensed as license fees and spectrum charges in the statement of profit and loss in the year in which the related revenue from providing unified access services are recognised. An additional revenue share towards spectrum charges is computed at the rate specified by the Department of Telecom (DoT) of the Adjusted Gross Revenue ('AGR'), as defined in the License Agreement, earned from the customers. These costs are expensed in the statement of Profit and Loss in the year in which the related revenues are recognised.

## 2.8 Other Income

### (i) Interest income

The interest income is recognised using the Effective Interest Rate (EIR) method. For further details, refer note 2.18 on financial instruments.

### (ii) Dividend income

Dividend income is recognised when the Company's right to receive the payment is established.

## 2.9 Taxes

### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax is based on the taxable profit for the year which may differ from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income (OCI) or directly in equity.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the current tax assets and current tax liabilities relate to income taxes levied by the same tax authority.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to tax incidence (if any) where applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of any unused tax losses, to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss in correlation to the underlying transaction either in other comprehensive income or directly in equity.

## 2.10 Property, Plant and Equipment

Property, plant and equipment and capital work in progress is stated at cost of acquisition or construction, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes purchase price, the cost of replacing part of the plant and equipment and directly attributable cost of bringing the asset to its working condition for the intended use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. All other repair and maintenance costs are recognised in the statement of profit and loss account as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Gains and losses arising from retirement or disposal of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss account on the date of retirement or disposal. Assets are depreciated to the residual values on a straight-line basis over the estimated useful lives. The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review, and adjusted prospectively.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The useful lives of the assets are based on technical estimates approved by the Management, and are lower than or same as the useful lives prescribed under schedule II to the Companies Act, 2013 in order to reflect the period over which depreciable assets are expected to be used by the Company. Estimated useful lives of the assets are as follows:

Particulars	Useful life (in years) as per the Company
Plant and Machinery	
- Network Equipment	12
- Outside Plant cables	18
- Air- Conditioning Equipment	6
- Generators	6
- Electrical Equipments	4-6
Building	60
Furniture, Fixtures and Office Equipment	3-6
Vehicles	5

## 2.11 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. There are no intangible assets assessed with indefinite useful life.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Computer software is amortised over 3 years.

Indefeasible Right to Use ('IRU') taken for optical fiber and ducts, by the Company are capitalised as intangible assets at the amounts paid for acquiring the right and are amortised on straight line basis, over the period of lease term.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Changes in the expected useful life are considered to modify the amortisation period or method, and are treated as changes in accounting estimates. The amortisation expense on

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intangible assets with finite lives is recognised in the statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised. For License fees and Spectrum Charges refer note 2.6.

## 2.12 Impairment of non-financial assets

Non-financial assets which are subject to depreciation or amortisation are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If the recoverable amount of an asset is estimated to be less than its carrying amount, an impairment loss is recognised by reducing the carrying amount of the asset to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit or loss.

## 2.13 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset, including interest attributable to the funding of license fees/spectrum fees up to the date the asset is available for use, are capitalised as a part of the cost of that asset.

All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

## 2.14 Leases

### Company as a Lessee

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses

significant judgment in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

### i) Right-of-use assets

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for short term leases which are less than 12 months and low value leases. The right-of-use asset is initially measured at cost comprises the following:

- the initial amount of the lease liability
- any initial direct costs incurred less any lease incentives received

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

### ii) Lease liabilities

Lease liabilities include the Net present value of the following lease payment:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- Using the practical expedient maintenance charges are also included in the lease payments as it is not practical to separate maintenance cost from the lease rent. (In any agreement, where rent and maintenance are separately mentioned or identifiable, then such maintenance charges are not considered as a part of lease payments).
- The exercise price of a purchase option if the company is reasonably certain to exercise that option, and



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- e) Payment of penalties for terminating the lease, if the company is reasonably certain to exercise that option.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, the lease payment are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for lease in the company, the lessee's incremental borrowing rate is used, being the rate that the initially lessor would have to pay to borrow fund necessary to obtain an asset on similar value to the right-of-use asset in a similar economic environment with similar terms, security and condition.

Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments also include an extension, purchase and termination option payments, if the Company is reasonably certain to exercise such options.

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

## iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised on a straight-line basis as an expense in statement of profit or loss over the lease term.

## Company as a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added

to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

In IRU granted for dark fiber, duct and embedded electronics are treated as finance lease (sale of intangible assets), where the IRU term substantially covers the estimated economic useful life of the asset and the routes are explicitly identified in the agreement. The cases where the IRU term does not significantly represent the estimated useful life of the asset, the IRU is treated as operating lease.

## 2.15 Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Asset Retirement Obligation ("ARO") is provided for arrangements where the Company has a binding obligation to restore the said location/premises at the end of the period in a condition similar to inception of the arrangement. The restoration and decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.



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## 2.16 Employee benefits

### 2.16.1 Post Employment benefits

The Company has schemes of retirement benefits for provident fund and gratuity:-

- 1) Provident fund with respect to employees covered with the Government administered fund is a defined contribution scheme. The contributions to the government administered fund are charged to the statement of profit and loss for the year when the contributions are due for the year as and when employee renders services.
- 2) Gratuity liability as per the Gratuity Act, 1972 and The Payment of Gratuity (Amendment) Act, 2010, is defined benefit plan and is provided for on the basis of an actuarial valuation made at the end of each year as per the Projected Unit Credit Method. The contribution towards gratuity is made to Life Insurance Corporation of India ('LIC').

Re-measurements, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding charge or credit to other comprehensive income in the period in which they occur. Remeasurements are not reclassified to statement of profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs; and
- Net interest expense or income

Actuarial gains/losses are immediately taken to the statement of Other Comprehensive Income and are not deferred.

### 2.16.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

### 2.16.3 Compensated absences

Liability for compensated absences is in accordance with the rules of the Company. Short term compensated absences are provided based on estimates. Long term compensated absences are provided based on actuarial valuation obtained at the end of each year as per the Projected Unit Credit Method.

## 2.17 Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure its fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

## 2.18 Financial Instruments

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

### i) Financial assets

#### Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss ('FVTPL'), transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit and loss are expensed in profit or loss.

#### Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

Where assets are measured at fair value, gains and losses are either recognised in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

#### Business model test

The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

#### Cash flow characteristics test

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments, other than investments in subsidiaries, associates and joint ventures, are measured at fair value in the balance sheet, with changes in the value recognised in the statement of profit and loss, except for those equity investments for which the entity has elected to present changes in the values in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss. Once the selection is made, there will be no recycling of the amount from other comprehensive income to statement of profit and loss.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;

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- Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-month ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

## ii) Financial liabilities

### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

### Redeemable preference shares

The redeemable preference shares issued by the Company is a compound financial instrument and is classified separately as financial liability and equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument. At the date of issue, fair value of the liability component is estimated using the prevailing market interest rate of a similar non-compound instrument. This amount is recognised as liability on an amortised cost basis using the effective interest rate method until extinguished at the instrument's maturity date. The difference between the fair value of the liability component at the date of issue and the issue price is recognised as the other equity.

### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR (Effective Interest Rate) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as financial costs in the statement of profit and loss.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms

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of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss, unless it is in the nature of equity contribution by parent.

## iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## iv) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and presented as a separate component of equity which is later reclassified to statement of profit and loss when the hedge item affects profit or loss.

### Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss (FVTPL).

## v) Hedge accounting

The Company designates its derivatives as hedging instruments, as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

### Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised

immediately in profit or loss, and is included in the 'Other income' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

## 2.19 Segment Reporting

The Company's chief operating decision makers look at the financials of the Company as a whole without segregating into any components for the purpose of allocating resources and assessing performance. Accordingly, the Company has not identified any operating segments to be reported.

## 2.20 Trade Receivables

Trade Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

## 2.21 Trade and Other Payables

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

## 2.22 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (including cash credit) as they are considered an integral part of the Company's cash management.

## 2.23 Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

## 2.24 Loss per share

Basic loss per share is calculated by dividing the net loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the

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weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

## 2.25 Current and Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. When an asset meets any of the following criteria it is treated as current:

- 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

All other assets are classified as non-current.

When a liability meets any of the following criteria it is treated as current:

- 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

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

## 2.26 Measurement of Earnings/Loss Before Interest, Tax, Depreciation and Amortisation (EBITDA)

The Company has elected to present earnings before finance cost, tax, exceptional items and depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations.

## 2.27 Onerous Contracts

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

## 2.28 Exceptional Items

When items of income or expense are of such nature, size and incidence that their disclosure is necessary to explain the performance of the Company for the year, the company makes a disclosure of the nature and amount of such items separately under the head "exceptional items".

## 2.29 New and amended standards adopted by the Company

The company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2020:

1. Definition of Material – amendments to Ind AS 1 and Ind AS 8
2. COVID-19 related concessions – amendments to Ind AS 116
3. Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## 2.30 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

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## Note 3 : Property, plant and equipment

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION			NET BLOCK	
	As at April 1, 2020	Additions	Deletions	As at March 31, 2021	For the year	Deletions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
Freehold Land	0.17	-	-	0.17	-	-	-	0.17	-
Buildings	16.63	3.89	2.01	18.51	2.40	2.01	4.10	14.41	14.41
Plant and Machinery	3,395.83	114.52	19.59	3,490.76	116.05	17.54	2,829.86	660.90	660.90
Furniture, Fixtures and Office Equipment	83.75	0.93	3.92	80.76	0.11	3.92	79.94	0.82	0.82
Vehicles	0.20	-	-	0.20	-	-	0.20	-	-
<b>Total</b>	<b>3,496.58</b>	<b>119.34</b>	<b>25.52</b>	<b>3,590.40</b>	<b>118.56</b>	<b>23.47</b>	<b>2,914.10</b>	<b>676.30</b>	<b>676.30</b>

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION			NET BLOCK	
	As at April 1, 2019	Additions	Deletions	As at March 31, 2020	For the year	Deletions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020
Freehold Land	0.17	-	-	0.17	-	-	-	-	0.17
Buildings	16.63	-	-	16.63	0.27	-	3.71	12.92	12.92
Plant and Machinery	3,269.44	136.51	10.71	3,395.83	134.83	10.71	2,731.35	664.48	664.48
Furniture, Fixtures and Office Equipment	84.45	-	0.70	83.75	-	0.70	83.75	-	-
Vehicles	0.20	-	-	0.20	-	-	0.20	-	-
<b>Total</b>	<b>3,370.89</b>	<b>136.51</b>	<b>11.41</b>	<b>3,496.58</b>	<b>(0.99)</b>	<b>11.41</b>	<b>(0.59)</b>	<b>2,819.01</b>	<b>677.57</b>

1. Refer note 18 for information on property, plant and equipment and intangible assets pledged as security by the Company.

2. Refer note 33(i) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

3. The company estimates the useful life of the Plant & Equipment to be maximum 18 years based on the expected technical obsolescence of such assets. However, the actual useful life may be shorter or longer than two years, depending on technical innovations and intensity of usage. If it were two years longer than the current useful life, the carrying amount for Plant & Equipment would be ₹ 687.44 crores as at 31 March 2021. If the useful life were estimated to be two years shorter than the current useful life, the carrying amount for Plant & Equipment would be ₹ 618.77 crores as at 31 March 2021.



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### Note 4 : Right of use assets (ROU)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				(₹ in crores)	
	As at April 1, 2020	Additions	Deletions	As at March 31, 2021	As at April 1, 2020	For the year	Deletions	As at March 31, 2021	NET BLOCK	
									As at March 31, 2021	As at March 31, 2021
Buildings	9.61	-	0.21	9.40	3.10	2.13	-	5.23	4.17	4.17
Network Sites	206.10	8.30	28.73	185.67	44.64	39.15	8.26	75.53	110.14	110.14
Indefeasible Rights of Use ('IRU')	166.95	-	-	166.95	121.48	8.57	-	130.05	36.90	36.90
<b>Total</b>	<b>382.66</b>	<b>8.30</b>	<b>28.94</b>	<b>362.02</b>	<b>169.22</b>	<b>49.85</b>	<b>8.26</b>	<b>210.81</b>	<b>151.21</b>	<b>151.21</b>

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				(₹ in crores)	
	As at April 1, 2019	IND AS 116 Impact As at April 1, 2019	Additions	Deletions	As at March 31, 2020	As at April 1, 2019	For the year	Deletions	As at March 31, 2020	As at March 31, 2020
Buildings	-	9.61	-	-	9.61	-	3.10	-	3.10	6.51
Network Sites	-	168.40	65.59	27.89	206.10	-	47.41	2.77	44.64	161.46
Indefeasible Rights of Use ('IRU')**	155.67	-	11.28	-	166.95	112.80	8.68	-	121.48	45.47
<b>Total</b>	<b>155.67</b>	<b>178.01</b>	<b>76.87</b>	<b>27.89</b>	<b>382.66</b>	<b>112.80</b>	<b>59.19</b>	<b>2.77</b>	<b>169.22</b>	<b>213.44</b>

\*\*As per IND AS 116, 'IRU' which was previously considered under Intangibles is now considered as a part of ROU assets.

### Note 5 : Capital work-in-progress

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				(₹ in crores)	
	As at April 1, 2019	Additions	Deletions	As at March 31, 2020	As at April 1, 2019	For the year	Deletions	As at March 31, 2020	NET BLOCK	
									As at March 31, 2021	As at March 31, 2021
Capital inventory [net of provision for obsolescence]* and Assets under construction	27.87	119.44	-	108.13	39.18	85.90	-	95.78	29.30	29.30
<b>Total</b>	<b>27.87</b>	<b>119.44</b>	<b>108.13</b>	<b>108.13</b>	<b>39.18</b>	<b>85.90</b>	<b>95.78</b>	<b>29.30</b>	<b>29.30</b>	<b>29.30</b>

\*Capital inventory mainly comprises of network equipments

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## Note 6 : Intangible assets (other than internally generated)

PARTICULARS	GROSS BLOCK				AMORTISATION			NET BLOCK	
	As at April 1, 2020	Additions	Deletions	As at March 31, 2021	For the year	Deletions	As at March 31, 2021	As at March 31, 2021	As at March 31, 2021
Licenses and spectrum	5.00	-	-	5.00	0.22	-	2.53	2.47	2.47
Computer Software	29.64	0.18	0.01	29.81	0.10	0.01	29.67	0.14	0.14
<b>Total</b>	<b>34.64</b>	<b>0.18</b>	<b>0.01</b>	<b>34.81</b>	<b>0.32</b>	<b>0.01</b>	<b>32.20</b>	<b>2.61</b>	<b>2.61</b>

(₹ in crores)

PARTICULARS	GROSS BLOCK				AMORTISATION			NET BLOCK	
	As at April 1, 2019	Additions	Deletions	As at March 31, 2020	For the year	Deletions	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020
Licenses and spectrum	-	-	(5.00)	5.00	(3.31)	-	(5.00)	2.31	2.69
Computer Software	29.54	0.10	-	29.64	-	-	29.58	0.06	0.06
<b>Total</b>	<b>29.54</b>	<b>0.10</b>	<b>(5.00)</b>	<b>34.64</b>	<b>(3.31)</b>	<b>-</b>	<b>(5.00)</b>	<b>31.89</b>	<b>2.75</b>

(₹ in crores)

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### Note 7 : Other financial assets

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
<b>Premises and other deposits (at amortised cost)</b>		
Considered good – secured	-	-
Considered good – unsecured	13.15	10.84
Having significant increase in credit risk	-	-
Credit impaired	9.66	9.67
Less: Loss allowance	9.66	9.67
	<b>13.15</b>	<b>10.84</b>
<b>Others</b>		
Bank deposits with more than 12 months maturity	0.04	0.28
	<b>13.19</b>	<b>11.12</b>

The Company has pledged term deposits of ₹ 0.04 crores as of March 31, 2021 and ₹ 0.28 crores as of March 31, 2020 to fulfil collateral requirements.

### Note 8 : Other non-current assets

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Capital advances	0.57	0.86
Prepaid expenses	15.57	14.47
Balance with government authorities	3.05	20.79
Amount paid under dispute* (net of provision for contingencies ₹ 4.84 crores) (March 31, 2020 ₹ 3.17 crores)	129.51	138.41
	<b>148.70</b>	<b>174.53</b>

\* includes amounts paid towards indemnification (Refer note 1.2)

### Note 9 : Current investments

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
Investments in mutual fund (Quoted) (measured at FVTPL)	70.23	-
	<b>70.23</b>	-
Aggregate book value of Quoted Investment		
- at cost	70.10	-
- at market value	70.23	-

Mutual Fund Name	Units (₹ in crores)		Fair value (₹ in crores)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Axis Liquid Fund - Direct Plan Growth	0.01	-	10.03	-
Birla Sun Life Cash Plus-Direct Plan Growth	-	-	20.00	-
ICICI Prudential Liquid - Growth	0.03	-	10.07	-
Tata Liquid Fund - Direct Plan Growth	0.01	-	30.13	-
	<b>0.05</b>	-	<b>70.23</b>	-

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## Note 10 : Trade receivables

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
Trade receivables from contract with customers	68.50	72.96
Trade receivables from contract with customers - related parties (Refer note 38)	43.59	82.60
Less: Loss allowance	33.87	33.84
	<b>78.22</b>	<b>121.72</b>
<b>Trade Receivables</b>		
Considered good - secured	-	-
Considered good - unsecured	92.05	135.26
Having significant increase in credit risk	-	-
Credit impaired	20.04	20.30
Less: Loss allowance	33.87	33.84
	<b>78.22</b>	<b>121.72</b>

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 17 to 90 days.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

### Ageing of receivables

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
Not due	35.62	20.44
0-90 days past due	23.50	61.88
91-180 days past due	12.57	26.70
> 180 days	40.40	46.54
<b>Total</b>	<b>112.09</b>	<b>155.56</b>

### Ageing of expected credit loss allowance

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
Not due	-	-
0-90 days past due	1.52	4.00
91-180 days past due	5.05	3.12
> 180 days	27.30	26.72
<b>Total</b>	<b>33.87</b>	<b>33.84</b>

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### Movement in expected credit loss allowance

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	33.84	50.54
Transfer to BAL (Refer note 1.2)	-	(15.75)
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	0.03	(0.95)
<b>Balance at end of the year</b>	<b>33.87</b>	<b>33.84</b>

### Note 11 : Cash and cash equivalents

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
Cheques on hand	-	0.01
Balance with banks in		
- Current accounts	16.51	8.92
- Cash credit accounts	26.50	75.60
	<b>43.01</b>	<b>84.53</b>

### Note 12 : Bank balances other than above

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
Deposits with original maturity of more than three months but less than twelve months	0.28	-
	<b>0.28</b>	<b>-</b>

The Company has pledged term deposits of ₹ 0.28 crores as of March 31, 2021 and Nil for March 31, 2020 to fulfil collateral requirements.

### Note 13 : Other financial assets

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
<b>Premises and other deposits (at amortised cost)</b>		
Considered good - secured	-	-
Considered good - unsecured	1.95	2.96
Having significant increase in credit risk	-	-
Credit impaired	0.64	0.60
Less: Loss allowance	0.64	0.60
	<b>1.95</b>	<b>2.96</b>
<b>Others</b>		
<b>Unsecured, considered good</b>		
Unbilled revenue	56.92	72.44
Insurance claim receivables	2.57	0.19
Other receivables from third party	1.71	6.20
<b>Derivative not designated in hedge accounting relationship</b>		
Foreign exchange forward contracts	-	0.36
	<b>61.20</b>	<b>79.19</b>
	<b>63.15</b>	<b>82.15</b>

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## Note 14 : Income tax assets (net)

	As at March 31, 2021	As at March 31, 2020
Tax deducted at source	40.40	78.77
	<b>40.40</b>	<b>78.77</b>

## Note 15 : Other current assets

	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>		
Advances to employees	0.07	0.05
Balance with government authorities	175.42	211.43
Prepaid expenses	15.56	14.70
Advances to suppliers		
Unsecured, considered good	1.33	2.27
Unsecured, considered doubtful	2.30	1.41
Less: Allowance for doubtful advances	2.30	1.41
	<b>1.33</b>	<b>2.27</b>
	<b>192.38</b>	<b>228.45</b>

## Note 16 : Equity share capital

	As at March 31, 2021		As at March 31, 2020	
	Numbers	(₹ in crores)	Numbers	(₹ in crores)
<b>a) Authorised, issued, subscribed and paid up share capital</b>				
<b>Authorised</b>				
Equity shares of ₹ 10/- each with voting rights	2,50,00,00,000	2,500.00	2,50,00,00,000	2,500.00
Preference shares of ₹ 100/- each	2,35,00,00,000	23,500.00	2,35,00,00,000	23,500.00
Unclassified Shares of ₹ 100/- each	50,00,00,000	5,000.00	50,00,00,000	5,000.00
	<b>5,35,00,00,000</b>	<b>31,000.00</b>	<b>5,35,00,00,000</b>	<b>31,000.00</b>
<b>Issued, subscribed and paid up</b>				
Equity shares of ₹ 10/- each fully paid-up with voting rights	1,95,49,27,727	1,954.93	1,95,49,27,727	1,954.93
	<b>1,95,49,27,727</b>	<b>1,954.93</b>	<b>1,95,49,27,727</b>	<b>1,954.93</b>
<b>b) Reconciliation of the number of equity shares outstanding:</b>				
Equity shares outstanding at the beginning of the year	1,95,49,27,727	1,954.93	1,95,49,27,727	1,954.93
Issued during the year	-	-	-	-
Decrease during the year	-	-	-	-
Equity shares outstanding at the end of the year	<b>1,95,49,27,727</b>	<b>1,954.93</b>	<b>1,95,49,27,727</b>	<b>1,954.93</b>

### c) Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend whenever proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting, except in case of interim dividends. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



# Notes

forming part of the financial statements as at and for the year ended March 31, 2021

## d) Equity shares held by the ultimate holding company/ holding company and its subsidiaries and associates:

Name of the Shareholder	Relationship	As at March 31, 2021	As at March 31, 2020
Tata Sons Private Limited	Ultimate holding company	38,27,59,467	38,27,59,467
Tata Teleservices Limited	Holding company	94,41,74,817	94,41,74,817
The Tata Power Company Limited	Associate of ultimate holding company	12,67,20,193	12,67,20,193
Panatone Finvest Limited	Subsidiary of ultimate holding company	17,850	17,850
<b>Total</b>		<b>1,45,36,72,327</b>	<b>1,45,36,72,327</b>

## e) Details of equity shares held in the Company by each shareholder holding more than 5% shares

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	No of shares held	% of holding	No of shares held	% of holding
Tata Teleservices Limited	94,41,74,817	48.30	94,41,74,817	48.30
Tata Sons Private Limited	38,27,59,467	19.58	38,27,59,467	19.58
The Tata Power Company Limited	12,67,20,193	6.48	12,67,20,193	6.48

## f) Reconciliation of the number of 0.1% non cumulative redeemable preference shares outstanding (Compound Financial Instrument):

	As at March 31, 2021		As at March 31, 2020	
	Numbers	(₹ in crores)	Numbers	(₹ in crores)
Preference shares outstanding at the beginning of the year	20,18,00,000	2,018.00	20,18,00,000	2,018.00
Issued during the year	-	-	-	-
Decrease during the year	-	-	-	-
Preference shares outstanding at the end of the year	<b>20,18,00,000</b>	<b>2,018.00</b>	<b>20,18,00,000</b>	<b>2,018.00</b>

On October 18, 2016, the Company had issued non cumulative redeemable preference shares (RPS) for a tenure of 23 months to Tata Teleservices Limited (TTSL) on private placement with dividend of 0.1% per annum. On September 18, 2018, the Company extended the term of RPS for a further period of 24 months with an option to the Company to redeem at such earlier date as may be decided by the Board of Directors or Finance Committee of the Company.

Pursuant to Section 47(2) of the Companies Act, 2013, with effect from October 17, 2018, TTSL is entitled to additional voting rights of 26.26% in respect of the RPS, as a result of which the Company became a subsidiary of TTSL.

On September 18, 2020, the Company extended the term of RPS for a further period of 24 months with an option to the Company to redeem at such earlier date as may be decided by the Board of Directors or Finance Committee of the Company.

In the event of liquidation, the Preference Shareholders will carry a preferential right over the holder of equity shares for payment of dividend and for payment of capital, in proportion to their shareholding.

## g) The Company during the preceding 5 years:

- has not allotted shares pursuant to contracts without payment received in cash.
- has not issued bonus shares.
- has not bought back any shares.

# Notes

forming part of the financial statements as at and for the year ended March 31, 2021

## Note 17 : Other equity

	As at March 31, 2021 (₹ in crores)	As at March 31, 2020 (₹ in crores)
(a) Securities premium	525.43	525.43
(b) Cash flow hedge reserve	-	(0.70)
(c) Retained earnings	(25,105.68)	(23,109.74)
(d) Equity component of compound financial instruments	4,134.44	3,150.92
	<b>(20,445.81)</b>	<b>(19,434.09)</b>
<b>(a) Securities premium</b>		
Balance at beginning of the year	525.43	525.43
Balance at end of the year	<b>525.43</b>	<b>525.43</b>
(Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013)		
<b>(b) Cash flow hedge reserve</b>		
Balance at beginning of the year	(0.70)	(1.61)
Gain/ (loss) arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedge		
Interest rate swaps	0.70	0.91
Balance at end of the year	-	<b>(0.70)</b>
The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.		
<b>(c) Retained earnings</b>		
Balance at beginning of the year	(23,109.74)	(19,337.40)
Add: Cumulative effect on opening retained earnings on adoption of Ind AS 116	-	(24.29)
Add: Loss for the year	(1,996.69)	(3,714.11)
Add: Other comprehensive income/ (loss) arising from measurement of defined benefit obligation net of income tax	0.75	(0.26)
Add: Consideration to the shareholders towards demerger of CMB	-	(33.68)
Balance at end of the year	<b>(25,105.68)</b>	<b>(23,109.74)</b>
<b>(d) Equity component of compound financial instruments</b>		
Balance at beginning of the year	3,150.92	2,038.82
Loan from Tata Teleservices Limited	-	76.77
0.1% redeemable preference shares to Tata Teleservices Limited (Refer note i below)	337.98	-
0.1% Inter-Corporate deposits from Tata Teleservices Limited (Refer note ii below)	645.54	1,035.33
Balance at end of the year	<b>4,134.44</b>	<b>3,150.92</b>

The equity portion of compound financial instruments, is on account of dividend/interest percentage being lower than effective market rate and is recorded in Retained earnings.

- Redeemable Preference shares of ₹ 337.98 crores forming part of equity component pertain to extension for a further period of 2 years from the original date of maturity during the period and all other terms are the same as agreed at the time of issue.
- Inter-corporate deposits of ₹ 590.49 crores (₹ 558.83 crores for the year ended March 31, 2020) forming part of equity component pertain to extension for a further period of 2 years from the original date of maturity during the period and all other terms are the same as agreed at the time of issue.

Also, Inter-corporate deposits of ₹ 55.05 crores (₹ 476.50 crores for the year ended March 31, 2020) form part of equity component pertaining to ICD issued on January 28, 2021 for a period of 2 years.

# Notes

forming part of the financial statements as at and for the year ended March 31, 2021

## Note 18 : Financial liabilities - Non-current borrowings:

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
<b>Secured - at amortised cost</b>		
Term Loans - from banks (Gross)	2,030.22	1,184.78
Less: Current maturities of long term debt	36.00	740.38
	<b>1,994.22</b>	<b>444.40</b>
<b>Unsecured - at amortised cost</b>		
(a) Deferred payment liability for LF and SUC*	2,672.55	-
Less: Current maturities of deferred payment liability	184.51	-
	<b>2,488.04</b>	-
(b) Liability component of inter-corporate deposits	9,844.32	9,253.99
Less: Current maturities of long term debt	6,222.07	3,559.95
	<b>3,622.25</b>	<b>5,694.04</b>
(c) Liability component of redeemable preference shares	1,764.35	1,924.46
Less: Current maturities of long term debt	-	1,924.46
	<b>1,764.35</b>	-
	<b>9,868.86</b>	<b>6,138.44</b>

\* towards indemnification (Refer note 1.2)

### Notes :

#### Undrawn borrowing facilities:

As at March 31, 2021, the company has undrawn committed borrowing facilities of ₹ 327.89 crores (March 31, 2020 – ₹ 403 crores).

#### Compliance with Loan Covenant:

##### As at March 31, 2021

The company does not have any financial covenant requirement on the outstanding loan as at March 31, 2021.

##### As at March 31, 2020

The company has met financial covenant requirement as per the respective borrowing arrangement with the lenders.

#### Deferred payment liability for LF and SUC:

##### i) Terms of repayment : Refer note 32(c)

SC directed the Operators to pay 10% of the total outstanding amount claimed by DoT, on or before March 31, 2021. The balance is payable in installments commencing April 1, 2021 up to March 31, 2031 payable by 31<sup>st</sup> March of every year. In compliance of the SC order, the Company has already made payment of ₹ 639.39 crores during quarter ended on March 31, 2020.

##### ii) Interest rate : 8% p.a. simple interest

#### Non-current - borrowings - secured

##### (a) Term Loans from banks

Out of loans outstanding as of March 31, 2020, of ₹ 1,187.50 crores, company has repaid ₹ 1,151.50 crores during the year. The balance ₹ 36 crores maturing on April 8, 2021 is outstanding in the books as on March 31, 2021.

##### As on March 31, 2021

i) Medium Term Loan outstanding from ICICI Bank is secured by way of first pari-passu charge on movable (fixed & current) assets of the Company's enterprise, fixed wire line and broad band division excluding intangible assets and current and future investments in associate and subsidiary company and Joint ventures of the Company.

##### ii) Terms of repayment :-

- The Facility is repayable in full in a bullet instalment at the end of 3 years from the date of first drawdown.
- The maturity date of loan from ICICI Bank is February 4, 2024 and April 8, 2021.

##### iii) Interest rate :-

- Interest on the ICICI Bank Loan is on ICICI-MCLR-3M + 0.05%
- Interest on the ICICI Bank Loan is on MCLR-1Yr + 0.8%

##### As on March 31, 2020

i) Medium Term Loans outstanding from Indusind Bank and ICICI Bank are secured by way of first pari-passu charge on the fixed (under immovable property, only a Turbhe property is offered) and current assets of the Company's enterprise, fixed wire line and broad band division excluding intangible assets and current and future investments in associate and subsidiary company and Joint ventures of the Company.

##### ii) Terms of repayment :-

- Loan from bank is repayable in 2 years in single installment from the date of drawdown.
- The maturity date of loan from Indusind bank is March 27, 2021 and has been repaid in full and from ICICI Bank is April 8, 2021.

# Notes

forming part of the financial statements as at and for the year ended March 31, 2021

## iii) Interest rate :-

- Interest on the IndusInd Bank loan is on floating basis based on overnight MIBOR+ an agreed spread, this floating rate has been hedged with IRS at a fixed rate.
- Interest on the ICICI Bank Loan is on MCLR-1Yr + 0.8%

The Company has availed the moratorium of three months granted by Reserve Bank of India (vide circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020) on payment of all term loan installments falling due between March 1, 2020 and May 31, 2020.

Refer note 3 and 6 for carrying amount of property, plant and equipment and intangible assets pledged as security by the Company.

## (b) Inter-corporate deposit (ICD)

### As on March 31, 2021

- During the year, ICD of ₹ 409 crores (liability component of ₹ 353.95 crores as at March 31, 2021) was issued on January 28, 2021 for a period of 2 years. Also, ICDs of ₹ 3,644 crores (liability component of ₹ 3263.86 crores at the March 31, 2021) were extended for a further period of 2 years from the original date of maturity and all other terms are the same as agreed at the time of issue.
- Terms of repayment :-**
  - ICDs are fully repayable after 2 years from the date of receipt.
- Interest rate :-**
  - Interest rate for ICD is 0.1% p.a.
- As the interest rate of ICD is lower than market rate, it has been considered as compound financial instrument and has been separated into equity component and liability component as per Ind AS 32. Interest on liability component of ICD has been recognised by applying effective interest rate (EIR) within the range of 7.35% to 9.50%.

### As on March 31, 2020

- During the year, ICDs of ₹ 3,700 crores (liability component of ₹ 3,209.59 crores as at March 31, 2020) were extended for a further

period of 2 years from the original date of maturity and all other terms are the same as agreed at the time of issue.

## ii) Terms of repayment :-

- ICDs are fully repayable after 2 years from the date of receipt except where specifically extended

## iii) Interest rate :-

- Interest rate for ICD is 0.1% p.a.

- As the interest rate of ICD is lower than market rate, it has been considered as compound financial instrument and has been separated into equity component and liability component as per Ind AS 32. Interest on liability component of ICD has been recognised by applying effective interest rate (EIR) of 9.5%.

## (c) Liability component of redeemable preference shares

### As on March 31, 2021

On September 18, 2020, the Company further extended the term of RPS for a further period of 24 months with an option to the Company to redeem at such earlier date as may be decided by the Board of Directors or Finance Committee of the Company.

The equity portion of these redeemable preference shares, on account of dividend percentage being lower than effective market rate, is recorded in Other equity.

### As on March 31, 2020

On October 18, 2016, the Company had issued non cumulative redeemable preference shares (RPS) for a tenure of 23 months to Tata Teleservices Limited (TTSL) on private placement with dividend of 0.1% per annum. On September 18, 2018, the Company extended the term of RPS for a further period of 24 months with an option to the Company to redeem at such earlier date as may be decided by the Board of Directors or Finance Committee of the Company.

The equity portion of these redeemable preference shares, on account of dividend percentage being lower than effective market rate, is recorded in Other equity.

## Note 19 : Non-current provisions

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
Provision for asset retirement obligation (site restoration cost)	0.77	1.96
Provision for employee benefits		
For gratuity	1.98	2.61
	<b>2.75</b>	<b>4.57</b>

## Note 20 : Other non-current liabilities

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
Unearned income	17.00	19.20
	<b>17.00</b>	<b>19.20</b>

# Notes

forming part of the financial statements as at and for the year ended March 31, 2021

## Note 21 : Financial liabilities - Current borrowings:

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
<b>(a) Secured - at amortised cost</b>		
From Banks		
Vendor financing	-	7.60
	-	<b>7.60</b>
<b>(b) Unsecured - at amortised cost</b>		
From Banks		
Short-term loans	-	640.00
Commercial papers	3,090.55	3,683.76
From Others		
Liability component of loan from Tata Teleservices Limited	-	6.78
	<b>3,090.55</b>	<b>4,330.54</b>
	<b>3,090.55</b>	<b>4,338.14</b>

### Notes :

#### Current - borrowings - unsecured

##### Short-term loans - commercial papers (CP)

###### As on March 31, 2021

###### i) Terms of repayment :-

- Commercial papers are repayable within 90 to 364 days from the date of issue.

###### ii) Discount rate :-

- Discount rate for commercial papers is in the range of 4.50% to 8.40% p.a.

###### As on March 31, 2020

###### i) Terms of repayment :-

- Commercial papers are repayable within 10 to 90 days from the date of issue.

###### ii) Interest rate :-

- Interest rate for commercial papers is in the range of 7.10% to 8.95% p.a.

##### Short-term loans - Term loan from bank

###### As on March 31, 2021

- During the year the Company has repaid all the outstanding short term loans.

###### As on March 31, 2020

###### i) Terms of repayment :-

- Loan from bank is repayable at the end of 1 year from the date of draw down.
- The maturity date of loan from Standard Chartered Bank is February 17, 2021.

###### ii) Interest rate :-

- For Initial 3 months - 3 month Treasury bill + 2.45% and Post 3 months rate - 1 month SBI MCLR + 0.5%.

The Company has availed the moratorium of two months granted by Reserve Bank of India (vide circular 04.048/2019-20 dated March 27, 2020) on payment of all term loan installments falling due between April 1, 2020 and May 31, 2020.

##### Short-Term Loans - Term Loan from others

###### As on March 31, 2021

- During the year the Company has repaid all the outstanding short term loans.

###### As at March 31, 2020

###### i) Terms of repayment :-

- Loan taken from TTSL is repayable by June 30, 2020.

###### ii) Interest rate :-

- Interest rate for loan is 0.01% p.a.

# Notes

forming part of the financial statements as at and for the year ended March 31, 2021

## Note 22 : Other current financial liabilities

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
<b>Derivatives designated in hedge accounting relationships</b>		
Interest rate swaps	-	0.70
<b>Total financial derivatives liabilities</b>	-	<b>0.70</b>
Current maturities of long term debt (Refer note 18)	6,258.07	6,224.79
Current maturities of deferred payment liability (Refer note 18)	184.51	-
Interest accrued but not due on borrowings	27.23	17.42
Security deposits from customers	8.89	7.53
Payables on purchase of fixed assets	9.27	11.95
Other payables to third party	0.39	0.39
	<b>6,488.36</b>	<b>6,262.78</b>

## Note 23 : Provisions

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
Provision for contingencies* (net of amounts paid ₹ 834.70 crores) (March 31, 2020 ₹ 833.03 crores) (refer note 43)	25.39	1,809.27
Provision for employee benefits: (refer note 36)		
(i) For compensated absences	2.37	2.07
(ii) For gratuity	0.57	-
(iii) For employee incentives	5.64	6.03
Provision for foreseeable losses on long term contracts (Refer note 2.2 (viii) and 44)	19.43	47.34
Other provisions* (refer note 45)	2.23	2.23
	<b>30.24</b>	<b>57.67</b>
	<b>55.63</b>	<b>1,866.94</b>

\* includes provision towards indemnification (Refer note 1.2)

## Note 24 : Other current liabilities

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
Unearned income	45.95	46.02
Advance from customers	17.52	19.61
Statutory liabilities	12.04	12.96
	<b>75.51</b>	<b>78.59</b>



# Notes

forming part of the financial statements as at and for the year ended March 31, 2021

## Note 25 : Revenue from operations

	(₹ in crores)	
	Year ended March 31, 2021	Year ended March 31, 2020
	₹ in crores	₹ in crores
<b>Telecommunication services</b>		
Service revenue	1,023.98	1,052.43
Sale of traded goods	-	0.19
	<b>1,023.98</b>	<b>1,052.62</b>
<b>Other operating income</b>		
Income from rendering of services	15.95	18.46
Infrastructure sharing	3.73	6.66
	<b>19.68</b>	<b>25.12</b>
	<b>1,043.66</b>	<b>1,077.74</b>

### Disaggregation of Revenue

The Company is licensed to provide basic and cellular telecommunication services under Unified License. Further, the Company provide telecommunication services only in the Indian domestic market. Disaggregated Revenue details are as follows:

	(₹ in crores)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Revenue from operations</b>		
Revenue from customers	985.53	1,023.08
Revenue from operators #	36.46	27.22
Other revenue *	21.20	26.97
<b>Total Revenue as per Financial Statement</b>	<b>1,043.19</b>	<b>1,077.27</b>

\* Other Revenue excludes IRU Lease deferment of ₹ 0.47 crores which is covered under Ind AS 116 (March 31, 2020 - ₹ 0.47 crores)

# Revenue from operators comprises of revenue from Interconnect Usages and Roaming charges (including Intra circle Roaming)

### Contracts Assets and Liabilities

A contract asset is recorded when revenue is recognised in advance of the right to bill and receive consideration (i.e., additional services must be performed or a performance obligation must be satisfied in order to bill and receive consideration). The contract asset will decrease as services are billed. When consideration is received in advance of the delivery of services, a contract liability is recorded. Reductions in the contract liability will be recorded as we satisfy the performance obligations.

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
<b>Contracts Assets and Liabilities</b>		
<b>Contract Assets</b>		
Unbilled revenue (Refer note 13)	56.92	72.44
<b>Contract Liabilities</b>		
Unearned income (Refer note 20 and 24)	62.95	65.22

	(₹ in crores)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Revenue recognised in relation to contract liabilities</b>		
<b>Unearned and Deferred Income</b>		
Revenue recognised during the year that was included in the contract liability balance at the beginning of the year		
Revenue recognised that was included in the contract liability balance at the beginning of the period	47.86	43.36

# Notes

forming part of the financial statements as at and for the year ended March 31, 2021

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
<b>Performance obligations in respect of long term contracts</b>		
Aggregate amount of transaction value allocated to long term contracts that are partially or fully pending to be fulfilled as at reporting date	19.63	24.89

The Company expects that around 43% (March 2020 - 40%) of the performance obligations pending in respect of these long term contracts will be recognised as revenue during the next reporting period with balance in future reporting periods thereafter.

Discount is offered to subscribers based on the tariff opted by the subscribers. No discount is offered other than plan. Accordingly, discount is part of the contract price. Revenue is recognised net of Discount and which is as per the contract price.

## Deferred customer contract acquisition costs

Costs to acquire customer contracts are generally deferred and amortised over the estimated economic life of the contracts, subject to an assessment of the recoverability of such costs. For contracts with an estimated amortisation period of less than one year, acquisition costs are expensed immediately. The closing balance of assets recognised from the costs incurred in respect of long term contracts amounts to ₹ 17.95 crores as at March 31, 2021 (₹ 20.35 crores as at March 2020). During the year, in respect of such long term contracts, the company recognised ₹ 13.01 crores as acquisition cost in the Statement of Profit and Loss.

## Note 26 : Other income

	(₹ in crores)	
	Year ended March 31, 2021	Year ended March 31, 2020
Provision/Liabilities no longer required written back	1.38	-
Miscellaneous income	4.13	3.28
	<b>5.51</b>	<b>3.28</b>
<b>Other gains</b>		
Gain on financial assets mandatorily measured at FVTPL	0.12	-
Gain on disposal of property, plant and equipment/ written off (Net)	0.64	2.09
Gain on discontinuation of lease as per IND AS 116 (Refer Note 39)	4.40	4.63
Gain on derivatives not designated in hedge accounting relationship	-	0.60
Foreign exchange gain (net)	0.59	-
	<b>5.75</b>	<b>7.32</b>
	<b>11.26</b>	<b>10.60</b>

## Note 27 : Employee benefits expenses

	(₹ in crores)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and bonus	44.40	53.54
Contribution to provident and other funds	1.86	1.95
Contribution to gratuity fund (Refer Note 36)	0.69	0.56
Staff welfare	2.42	3.07
	<b>49.37</b>	<b>59.12</b>

# Notes

forming part of the financial statements as at and for the year ended March 31, 2021

## Note 28 : Operating and other expenses

	(₹ in crores)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Rent - Others</b>	-	<b>0.78</b>
<b>Interconnection and other access costs</b>	<b>164.45</b>	<b>157.24</b>
<b>License fees and spectrum charges</b>	<b>76.39</b>	<b>73.79</b>
<b>Other Operating expenses</b>		
Power	29.43	46.60
Repairs and maintenance		
- plant and machinery	65.70	106.83
- building	1.59	1.83
- others	4.50	4.14
Lease line and bandwidth charges	43.85	38.30
Telecalling charges	14.27	15.33
Port charges	2.74	5.82
Customer acquisition costs	10.26	13.69
Information technology solutions	19.74	25.33
Managed service charges	0.13	3.72
Annual maintenance charges	9.52	10.67
	<b>201.73</b>	<b>272.26</b>
<b>Other expenses</b>		
Commission, incentives and content cost	37.55	39.51
Travel and conveyance	0.77	3.08
Insurance	1.04	1.29
Legal and professional fees	7.75	15.29
Advertisement and business promotion expenses	8.43	18.71
Directors sitting fees	0.44	0.26
Miscellaneous expenses	6.49	6.96
	<b>62.47</b>	<b>85.10</b>
<b>Other losses</b>		
Loss on financial assets mandatorily measured at FVTPL	-	<b>7.30</b>
Loss on derivatives not designated in hedge accounting relationship	<b>0.36</b>	-
Foreign exchange loss (net)	-	<b>0.45</b>
	<b>505.40</b>	<b>596.92</b>

## Note 29 : Depreciation and amortisation expenses

	(₹ in crores)	
	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment	118.56	135.10
Amortisation on right of use assets	49.85	59.19
Amortisation of intangible assets	0.32	0.69
	<b>168.73</b>	<b>194.98</b>

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## Note 30: Finance costs

	(₹ in crores)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense:		
On term loans	378.28	486.44
On liability component of compound financial instruments	1,014.94	1,001.71
On deferred payment liability and license fees	146.23	20.33
On unwinding of asset retirement obligation	0.11	0.10
On others	0.01	0.13
On lease liabilities as per IND AS 116 (Refer Note 39)	15.89	20.67
Expenses for loan arrangement, bill discounting and bank charges	5.68	15.69
	<b>1,561.14</b>	<b>1,545.07</b>

## Note 31 : Finance income

	(₹ in crores)	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest on income tax refund	8.76	-
Unwinding impact as per IND AS 109 on security deposits at amortised cost	0.51	5.74
Interest income on term deposits with banks	1.63	0.02
	<b>10.90</b>	<b>5.76</b>

## Note 32 : Exceptional items (net)

	(₹ in crores)	
	Year ended March 31, 2021	Year ended March 31, 2020
Impairment reversal of CMB assets (Refer note (a) below)	-	(184.47)
Restructuring cost	-	46.79
Loss on disposal of CMB (Refer note (b) below)	-	91.27
Additional provision for LF/SUC (Refer note (c) below)	779.81	2,467.35
Settlement of cases opted under LDRS (Refer note (d) below)	-	1.40
Provision for disputed service tax demands	-	7.05
Interest on GST liability towards LF/ SUC payment to DoT	-	0.89
	<b>779.81</b>	<b>2,430.28</b>

- (a) As at June 30, 2019, the Company had reviewed the recoverable amount of its CMB assets based on fair value less costs to sell and recorded ₹ 184.47 crores as partial reversal of impairment recorded during the year ended March 31, 2018 and disclosed the same as an exceptional item for the year ended March 31, 2020.
- (b) As on the Effective date of the Scheme (July 1, 2019), the Company has charged to profit and loss ₹ 91.27 crores in compliance with Ind AS provisions on account of the following:
- Pursuant to the loan agreement dated June 29, 2019 executed between TTML and Tata Teleservices Limited ('TTSL'), TTML has borrowed ₹ 825 crores from TTSL as per terms and conditions mentioned in the said agreement and measured the loan at its fair value and classified it between debt amounting to ₹ 748.23 crores and equity amounting to ₹ 76.77 crores. As at June 30, 2019, the carrying value of the

debt component of the loan was ₹ 749.41 crores at amortised cost using the EIR (Effective Interest Rate) method. On July 1, 2019, pursuant to the Scheme of arrangement, out of the said loan of face value ₹ 825 crores, face value of loan amounting to ₹ 818.06 crores (amortised cost ₹ 743.11 crores) has been transferred on the same terms to BAL and the differential amount of ₹ 74.95 crores (being adjustment arising out of ₹ 76.77 crores recognised as equity on initial recognition), has been disclosed as an exceptional item for the year ended March 31, 2020.

- Equity shares of BAL received by the shareholders of TTML pursuant to the Scheme of demerger of CMB has been recognised as distribution made by TTML to its Shareholders and has been measured at ₹ 33.68 crores, being the fair value of BAL shares as on July 1, 2019, the Effective date of the Scheme, as against the fair value of BAL shares considered as

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per the Scheme (₹ 50 crores) and the differential amount of ₹ 16.32 crores being fair value adjustment of the consideration to the Shareholders has been disclosed as an exceptional item for the year ended March 31, 2020.

- (c) The Hon'ble Supreme Court ('SC') pronounced its Judgement on October 24, 2019 ('Judgement'), dismissing the appeals of operators and allowing Department of Telecommunication's (DoT) appeal in respect of the definition of Gross Revenue ('GR') and Adjusted Gross Revenue ('AGR') as defined in the Unified Access Service License Agreement.

As on March 31, 2020, Tata Teleservices (Maharashtra) Limited ('TTML') had provided ₹ 2,423.37 crores towards LF, SUC, interest, penalty and interest on penalty as applicable arising out of the above SC judgement read with subsequent orders in this matter. Subsequently, on July 20, 2020, SC passed an order agreeing with the statement relating to recoverable amount, filed by DoT as part of modification application and further ordered that there cannot be any re-assessment or recalculation of this amount.

On September 1, 2020, SC directed the Operators to pay 10% of the total dues as demanded by DoT by March 31, 2021 and the balance in installments commencing April 1, 2021 upto March 31, 2031 payable by 31<sup>st</sup> March of every year. As directed by the SC, TTML has furnished on September 28, 2020 an undertaking to DoT to make the payment of arrears as per the SC order. TTML has made payment of ₹ 639.39 crores and will ensure ongoing compliance with the SC orders.

Consequently, without prejudice and on prudence, during the half year ended September 30, 2020, TTML has recorded an incremental provision of ₹ 827.28 crores (including interest for ₹ 47.69 crores) to give effect to the differential amount between the amounts of AGR dues stated as final in the SC order as well as amounts for subsequent period, if any and the provision upto March 31, 2020. During the half year ended March 31, 2021, TTML has continued to recognise interest on AGR obligations. The amount has been recorded in compliance with the accounting standards, strictly without prejudice to TTML's legal rights, claims, remedies and contentions available under law.

TTML alongwith Tata Teleservices Limited ('TTSL') on January 10, 2021 filed a joint application for direction/clarification of order dated September 1, 2020 wherein TTML and TTSL, inter-alia, have requested SC to allow TTML and TTSL to seek rectification of computational errors and erroneous disallowances in the amounts claimed by DoT. The said application is yet to be listed for hearing.

On March 27, 2021, TTML along with TTSL have filed Compliance Affidavit before SC as required under the AGR Judgement. On April 6, 2021, TTML and TTSL have also filed before SC the respective Undertakings which were submitted to DoT in terms of SC order dated September 1, 2020. DoT has filed affidavit in compliance of the order dated September 1, 2020 in SC on April 7, 2021.

- (d) Settlement towards cases opted by the company under Legacy dispute resolution scheme (LDRS) is Nil for the year ended March 31, 2021 and ₹ 1.40 crores has been disclosed as an exceptional item for the year ended March 31, 2020.

### Note 33 : Commitments and contingencies

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
<b>I) Commitments:</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Tangible assets	45.45	61.25
<b>II) Contingent Liabilities:</b>		
i) Claims against the Company not acknowledged as debt		
Telecom regulatory matters*	331.78	575.01
Others	260.95	257.66
* includes contingent liabilities towards indemnification (Refer note 1.2)		

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## Notes:

- a) Bharat Sanchar Nigam Limited (BSNL) issued demand notices to pay Access Deficit Charge (ADC) aggregating ₹ 166.90 crores, including interest, for the period November 14, 2004 up to February 28, 2006. The demands stated that 'Fixed Wireless' services provided by the Company under the brand name 'WALKY' had mobility features and should be treated as mobile services for the purpose of Interconnect Usage Charges Regulations and ADC was payable on such calls. The Company filed a petition before the Hon'ble Telecom Dispute Settlement Appellate Tribunal (TDSAT) in this regard. TDSAT disallowed the Company's petition and held that ADC was payable on such calls. The Company filed an appeal before the Hon'ble Supreme Court, which confirmed that ADC was payable on fixed wireless service vide order dated April 30, 2008. As there were claims and counter-claims between the Company and BSNL, the senior counsel of BSNL offered and Hon'ble Supreme Court directed that quantification of amounts payable to each other be made by Hon'ble TDSAT.

The Company thereafter, filed a petition in TDSAT to determine / reconcile amounts payable to each other and TDSAT vide its order dated August 12, 2008 held that BSNL and the Company should exchange relevant information and reconcile the differences. On April 15, 2010, TDSAT confirmed BSNL demands for period up to August 25, 2005 and gave BSNL liberty to lodge its claim for a further period up to February 28, 2006. The Company's appeal before SC against the aforesaid TDSAT order dated April 15, 2010 was admitted by the SC vide its order dated July 23, 2010 but stay was not granted. Supreme Court had asked for details / break up of demands which have been filed. Based on the legal advice available with the Company, the penalty clause invoked by BSNL does not apply and the Company is entitled to seek refund of ₹ 50.73 crores, the excess ADC amount paid to BSNL along with interest.

Out of the aforesaid ₹ 166.90 crores, the Company has till date provided for amounts aggregating ₹ 111.61 crores. The balance amounts aggregating ₹ 55.30 crores have been disclosed as Contingent Liability.

The matter was last listed before the Hon'ble Supreme Court on March 30, 2017 and thereafter got adjourned. This shall come up for hearing in due course.

Payments made under dispute till date aggregates ₹ 111.61 crores in relation to the above.

There are similar claims raised by other operators of ₹ 3.29 crores, provision of ₹ 2.68 Crores has been made and ₹ 0.61 Crores has been disclosed as Contingent Liability.

- b) A demand for ₹ 290.17 crores for start up spectrum beyond 2.5MHz, being a one time spectrum charges claimed for the period from January 1, 2013 till the date of expiry of the license, was received from the DoT. The Company has filed a writ petition in the Bombay High Court against the demand and obtained a stay order. The Company has undertaken (written to DoT conveying its intent) to surrender 1.25 MHz of CDMA spectrum after retaining 1.25 MHz of spectrum over and above start up spectrum of 2.5 MHz in Mumbai

and to surrender the spectrum beyond 2.5 MHz in Maharashtra. Pursuant thereto, the Company has paid under protest all four installments aggregating ₹ 119.58 crores for spectrum retained and also completed the surrender of spectrum in Mumbai and Maharashtra under protest. The DoT filed a Reply. The Company has to file a Rejoinder and an application for modification of the prayer clause in view of payments being made by the Company. The matter has been tagged with similar writs filed by other operators for Hearing and was last listed on February 04, 2020, where Bharti Airtel Limited sought deferment. The matter was due to taken up on March 17, 2020 but in view of the outbreak of COVID-19, the matter has been adjourned. Based on legal advice, the Company has considered the said demand as remote in nature.

- c) DoT has issued instruction to TERM Cell in each Licensed Service Area to conduct monthly audit to check compliance levels of subscriber verification norms. DoT has also issued circulars to impose penalty for non-compliances to its instructions observed during the monthly audits. Total penalty raised to the Company on account of subscriber verification norms is ₹ 268.84 crores till March 31, 2021. Some of these penalties have been challenged by the Company in various High Courts and TDSAT. Based on legal opinion that the circulars are contrary to Section 20A of the Indian Telegraph Act, 1885, as the circulars prescribe penalties in excess of those prescribed under the Telegraph Act, the Company has disclosed the said demands as contingent liability.

Out of the aforesaid amount of ₹ 268.84 crores, the Company has till date provided for amounts aggregating ₹ 3.69 crores. The balance amounts aggregating ₹ 265.15 crores have been disclosed as Contingent Liability.

- d) Bharti raised invoices/demands on the Company for period since June 2009 in respect of SMS terminating on its network based on the interconnection agreement between the Company and the operator. The Company disputed on the grounds that the charges are not reasonable, are discriminatory and that the said quantum of 0.10 paisa as SMS TC is not cost based. TDSAT vide its order dated August 30, 2012, directed TTSL to pay these charges. On October 17, 2012, TTSL's appeal against the said judgment was admitted by the Hon'ble Supreme Court, but SC directed the Company to pay the above amount on a condition that any amounts paid by the Company would be refunded back with interest in the event the matter is adjudged in the Company's favor. Total amount payable to the operator (net of access charges receivable by the Company) amounts to ₹ 72.40 crores (March 31, 2020 – ₹ 72.40 crores) which has been fully provided by the Company. Amount paid under dispute as at March 31, 2021 amounts to ₹ 66.38 crores (March 31, 2020 – ₹ 66.38 crores).

Other operators have raised claims for SMS termination amounting to ₹ 53.21 crores (March 31, 2020 – ₹ 53.21 crores), which were challenged in TDSAT by the Company. During the year 2015-16, TDSAT has pronounced judgment with respect to SMS termination charges in two of the cases and one is still pending. The Company believes that the amounts adjudged as payable by TDSAT are not tenable in the absence of any contractual arrangements with these operators for SMS termination and that the arrangement between



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the parties was based on the principle of Bill & Keep and has filed the appeal against the judgment in Hon'ble Supreme Court and the matter will be heard in due course. Accordingly, these claims have been disclosed as contingent liabilities.

- e) DoT has issued demand notes on March 15, 2018 of ₹ 7 crores covering GSM Services for the circle of Maharashtra and ₹ 3.70 crores covering CDMA services in Mumbai and Maharashtra followed by SCN issued earlier for alleged delay in compliance of the first year roll out obligation of CDMA and GSM services as per License Agreements. The Company has challenged the demand in TDSAT. TDSAT has stayed the demand and restrained DOT from taking coercive action including encashment of Bank Guarantee. The Company based on the data available and internal assessment, believes that the demand will be quashed and hence, disclosed the demand as contingent liability.
- f) The Company, as a lessee of the property known as Al-aqmar Trust, Pune, has been receiving demand notices from Pune Municipal Corporation (PMC) since 1998, in its erstwhile name Hughes Ispat Ltd. PMC had raised its original demand for the year 1998 unilaterally fixing the Annual Rateable Value (ARV) at ₹ 1.10 crores. In the Municipal Appeal filed by the Company in 1998 against the demand, the Small Causes Court in Pune vide its judgment of 28<sup>th</sup> July 2003 set aside all the demands of PMC until 2003. The Court also directed the PMC to issue special notice to the Company, provide hearing and then fix the ARV, which direction has not yet been followed by PMC. PMC preferred a Writ Petition before the High Court of Bombay in 2004 against the said Judgment. The High Court did not grant any stay in favour of PMC in 2004 and dismissed the Writ Petition on 3<sup>rd</sup> July 2019 for default on the part of PMC. In the meanwhile, the demands raised by PMC for the subsequent years post 2003 were also challenged by the Company in 2007 in the Court in Pune, which held in 2013 in favour of the Company and

the case filed by the Company in 2015 is pending for disposal before the Civil Court in Pune. The demand challenged in 2015 is for ₹ 11.83 crores, which includes alleged arrears with penalty from the year 2003 till 2015 and the entire demand has been stayed by an Order of Injunction by the Court, which Order shall continue to be in force in favour of the Company until disposal of the suit. Despite the Court Orders, PMC continued to raise demands in defiance of the Orders for the year 2019-20 for ₹ 80.76 crores and for ₹ 0.29 crores, which were suitably responded by the Company on 24<sup>th</sup> April 2019 and on 29<sup>th</sup> May 2019 citing the Court Orders.

Recently, PMC in its website had posted three (3) Demand Notices towards property tax against three (3) property IDs of Al-aqmar property for ₹ 124.46 crores, ₹ 1.27 crores and ₹ 0.45 crores, which included the arrears from the year 2003 that were covered under previous Orders of the Courts. The Company moved the Civil Court, Pune again in February 2021 and obtained an Order of Injunction in March 2021 restraining PMC from giving effect to / demanding taxes of the three bills posted on its official website and from recovering the amount by adopting any coercive methods and also restraining PMC from raising or issuing any further demand notices, property tax bills and from posting the same on its official website or publishing the same in any newspaper or other mode of communication, against the Company until disposal of the suit and has asked PMC to try to remove from the website uploaded bills concerning the Company, if possible.

Based on legal advice, the Company has fair chance of success in this case. Accordingly, the Company has disclosed ₹ 80 Crores as contingent liability basis the previous demands as of 2019-20. The Company has not taken into consideration the latest amounts posted in PMC website as the probability of outflow is assessed to be remote.

	(₹ in crores)	
	As at March 31, 2021	As at March 31, 2020
ii) Disputed service tax demands	286.34	319.78
iii) Disputed local body tax demands	3.88	3.88

- g) With regards to disputes and claims referred to above against the Company, appropriate competent professional advice is available with the Company based on which, favorable outcomes are anticipated and no liability is expected to accrue to the Company.
- h) The Direct Tax Vivad se Vishwas Act, 2020 ('VSV Act' or 'VSV Scheme') was enacted as a benefit to assessee to reduce the pendency of litigation under the Income-tax Act, 1961 ('Act'). In this regard, the company has opted to settle certain open litigation/matters in accordance with the provisions of the subject VSV Act and there is no corresponding impact on contingent liabilities on account of settlement of subject matters.
- i) The Company has evaluated the impact of the Supreme Court (SC) judgment dated February 28, 2019 in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the Company believes that the aforesaid judgment does not have material impact on the Company. The Company will continue to monitor and evaluate its position based on future events and developments.

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## Note 34 : Payments to auditors (excluding GST)

	(₹ in crores)	
	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
i) For audit fees	0.47	0.54
ii) For tax audit	0.06	0.06
iii) For other audit services	0.23	0.56
iv) For reimbursement of expenses	-	0.10
	<b>0.76</b>	<b>1.26</b>

**Note 35 :** The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	(₹ in crores)	
	April 1, 2020 to March 31, 2021	April 1, 2019 to March 31, 2020
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	3.50	3.46
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.04	0.15
(iii) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year end	-	-
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
(vii) Further interest remaining due and payable for earlier years	-	-
	<b>3.54</b>	<b>3.61</b>

**Note 36 :** The disclosure as required under Ind AS 19 regarding the Employee benefits is as follows:

### Employee benefit plans

#### Defined contribution plans

The Company makes Provident Fund contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 1.86 crores for the year ended March 31, 2021 (₹ 1.95 crores for the year ended March 31, 2020) for Provident Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

#### Gratuity and other post-employment benefit plans

The Company offers the following employee benefit schemes to its employees:

- Gratuity (included as part of Refer note 27 Employee benefits expense)
- Short-term compensated absences (included as part of Refer note 27 Employee benefits expense)

#### (i) Gratuity

The Company has defined benefit gratuity plan. Every employee who has completed five years or more gets the gratuity on departure at 15 days salary i.e. last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

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## The Company offers the gratuity under employee benefit schemes to its employees

(₹ in crores)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Components of employer's expense</b>		
Current service cost	0.55	0.43
Interest cost	0.24	0.31
Expected return on plan assets	(0.10)	(0.18)
<b>Total expense recognised in employee benefit expenses as per note 27</b>	<b>0.69</b>	<b>0.56</b>

## Re-measurement effects recognised in Other Comprehensive Income (OCI):

(₹ in crores)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial loss due to demographic assumption changes in Defined Benefit Obligation (DBO)*	0.09	0.02
Actuarial (gain)/loss due to financial assumption changes in DBO	(0.20)	0.18
Actuarial loss due to experience on DBO	(0.08)	0.02
Return on plan assets greater than discount rate	(0.56)	0.04
<b>Total actuarial loss/(gain) included in OCI</b>	<b>(0.75)</b>	<b>0.26</b>

The current service cost, interest cost and expected return on plan assets for the year are included in the 'Employee benefits expenses' line item in the statement of profit and loss. The remeasurement on the defined benefit liability is included in other comprehensive income.

(₹ in crores)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	5.13	5.67
Current service cost	0.55	0.43
Interest cost	0.24	0.31
Transfers	-	(0.69)
Actuarial gain - Demographic assumptions	0.09	0.02
Actuarial (gain)/loss - Financial	(0.20)	0.18
Actuarial loss - Experience	(0.08)	0.02
Benefits paid	(0.31)	(0.81)
<b>Present value of DBO at the end of the year</b>	<b>5.42</b>	<b>5.13</b>
<b>Change in fair value of plan assets during the year</b>		
Plan assets at beginning of the year	2.52	3.19
Expected return on plan assets	0.10	0.18
Actuarial (losses)/ gain	0.56	(0.04)
Benefits paid	(0.31)	(0.81)
<b>Plan assets at the end of the year</b>	<b>2.87</b>	<b>2.52</b>
<b>Actual return on plan assets</b>	<b>0.66</b>	<b>0.14</b>

(₹ in crores)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Net liability recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	5.42	5.13
Fair value of plan assets	2.87	2.52
Funded status (Deficit)	(2.55)	(2.61)
<b>Net liability recognised in the Balance Sheet*</b>	<b>(2.55)</b>	<b>(2.61)</b>
<b>Current</b>	<b>0.57</b>	<b>-</b>
<b>Non current</b>	<b>1.98</b>	<b>2.61</b>

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(₹ in crores)		
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Composition of the plan assets is as follows:</b>		
Others (LIC managed funds)	100.00%	100.00%
<b>Actuarial assumptions</b>		
Expected return on plan assets	5.50%	5.50%
Discount rate	5.50%	5.50%
Salary escalation rate	5.00%	6.00%
Attrition	20.30%	28.00%
Mortality tables	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
Retirement age	60 years	60 years

The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

## Experience adjustments

(₹ in crores)					
Gratuity	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Present value of DBO	5.42	5.13	5.67	7.38	8.44
Fair value of plan assets	2.87	2.52	3.19	4.75	5.47
Funded status [Surplus/ (Deficit)]	(2.55)	(2.61)	(2.48)	(2.63)	(2.97)
Experience (gain)/ loss adjustments on plan liabilities	(0.08)	0.03	(0.34)	(0.56)	0.27
Experience gain/ (loss) adjustments on plan assets	0.56	(0.04)	0.08	0.54	0.27

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in crores)			
Particulars	Change in assumptions	Year ended March 31, 2021	Year ended March 31, 2020
<b>Projected Benefit Obligation on current assumptions</b>			
Delta effect of change in Rate of discounting	+1%	(0.23)	(0.15)
	-1%	0.20	0.16
Delta effect of change in Rate of salary increase	+1%	0.20	0.13
	-1%	(0.23)	(0.12)
Delta effect of change in Rate of employee turnover	+1%	(0.02)	(0.01)
	-1%	(0.02)	0.01

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Expected Cash Flows for the defined benefit obligation are as follows:

(₹ in crores)		
Particulars	March 31, 2021	March 31, 2020
Within the next 12 months	1.14	1.39
Between 1 to 2 years	0.94	1.23
Between 3 to 5 years	2.05	2.64
Between 6 to 10 years	1.83	2.21

## ii) Short - Term Compensated Absences

The compensated absences cover the Company's liability for earned leave.

Total compensated absences provision as on March 31, 2021 is ₹ 2.37 crores (₹ 2.07 crores as on March 31, 2020) which is presented as short-term provision, since the Company does not have an unconditional right to defer settlement for any of these obligations. Provision for compensated absences has been made on the basis of actuarial valuation carried out as at the balance sheet date.

## Note 37 : Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets, financial liability and equity instrument are disclosed in note 2.18 to the financial statements.

### (i) Financial Assets & Liabilities

(₹ in crores)				
	Fair value as at		Carrying value as at	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Financial Assets</b>				
(a) Measured at Fair Value through Profit or Loss (FVTPL)				
Mandatorily measured:				
(i) Investments in mutual funds	70.23	-	70.23	-
(ii) Derivative financial assets not designated in hedge accounting relationship	-	0.36	-	0.36
(b) Amortised Cost				
Trade receivables	78.22	121.72	78.22	121.72
Cash and cash equivalents	43.01	84.53	43.01	84.53
Bank balances other than above	0.28	-	0.28	-
Other financial assets	76.34	92.91	76.34	92.91
	<b>268.08</b>	<b>299.52</b>	<b>268.08</b>	<b>299.52</b>
<b>Financial Liabilities</b>				
(a) Measured at Fair Value through Profit or Loss (FVTPL)				
Derivative financial liabilities designated in hedge accounting relationship	-	0.70	-	0.70
(b) Amortised Cost				
Borrowings	12,959.41	10,476.58	12,959.41	10,476.58
Lease liabilities	136.83	193.64	136.83	193.64
Trade payables	264.37	291.07	264.37	291.07
Other current financial liabilities	6,488.36	6,262.08	6,488.36	6,262.08
	<b>19,848.97</b>	<b>17,224.07</b>	<b>19,848.97</b>	<b>17,224.07</b>

The carrying amounts of trade receivables, trade payables, capital creditors, short-term borrowings and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

# Notes

forming part of the financial statements as at and for the year ended March 31, 2021

## Fair value hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels.

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

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

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required)

		(₹ in crores)	
		March 31, 2021	March 31, 2020
<b>Financial Assets</b>			
<b>(a) Measured at Fair Value through Profit or Loss (FVTPL)</b>			
(i) Investments in mutual funds	Level 1	70.23	-
(ii) Derivative financial assets not designated in hedge accounting relationship	Level 2	-	0.36
		<b>70.23</b>	<b>0.36</b>
<b>Financial Liabilities</b>			
<b>(a) Measured at Fair Value through Profit or Loss (FVTPL)</b>			
Derivative financial liabilities not designated in hedge accounting relationship	Level 2	-	-
<b>(b) Derivative financial liabilities designated in hedge accounting relationship</b>	Level 2	-	0.70
		-	<b>0.70</b>

Assets and Liabilities that are disclosed at Amortised Cost for which Fair values are disclosed are classified as Level 3.

If one or more of the significant inputs is not based on observable market data, the respective assets and liabilities are considered under Level 3.

At the end of the reporting year, there are no significant concentrations of credit risk for financial assets and financial liabilities designated at FVTPL. The carrying amount reflected above represents the company's maximum exposure to credit risk of such financial assets and liabilities.

The fair values of the financial assets and financial liabilities included in the level 2 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

## (ii) Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in notes 18, 21 and note 22 offset by cash and bank balances and current investments) and total equity of the Company.

## Gearing ratio

The gearing ratio at the end of the reporting year was as follows;

		(₹ in crores)	
Particulars		As at March 31, 2021	As at March 31, 2020
Debt *		19,429.22	16,718.79
Equity share capital		1,954.93	1,954.93
Other equity (including reserves)		(20,445.81)	(19,434.09)
<b>Total Equity</b>		<b>(18,490.88)</b>	<b>(17,479.16)</b>
Debt to equity ratio		(1.05)	(0.96)

\*Debt is defined as non-current and current borrowings (excluding lease liabilities, derivatives and financial guarantee contracts) including current maturities of long term debt and Interest accrued but not due.



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The company does not have any financial covenant requirement for the loan outstanding as at March 31, 2021

(As at March 31, 2020, the company has met financial covenant requirement as per the respective borrowing arrangement with the lenders.)

### (iii) Financial risk management objectives

Inherent to the nature of the Company's business are a variety of financial risks, namely liquidity risk, market risk and credit risk. Developing policies and processes to assess, monitor, manage and address these risks is the responsibility of the Company's Management. The management oversees this risk management framework in the Company and intervenes as necessary to ensure there exists an appropriate level of safeguards against the key risks. Updates on compliance, exceptions and mitigating action are placed before the Audit Committee periodically.

The Company's management works closely to ensure there are appropriate policies and procedures governing the operations of the Company with a view to providing assurance that there is visibility into financial risks and that the business is being run in conformity with the stated risk objectives. Periodic reviews with concerned stakeholders provides an insight into risks to the business associated with currency movements, credit risks, etc. and necessary deliberations are undertaken to ensure there is an appropriate response to the developments.

The risk management objective of the Company is to hedge risk of change in the foreign currency exchange rates associated with its direct transactions denominated in foreign currency. Since most of the transactions of the Company are denominated in its functional currency (INR), any foreign exchange fluctuation affects the profitability of the Company and its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility.

The Company follows a consistent policy of mitigating foreign exchange risk by entering into appropriate hedging instruments as considered from time to time. The Company is having a defined risk management policy for exposure in foreign currencies. The Company does not enter into a foreign exchange transaction for speculative purposes.

### (iv) Market Risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

- Forward foreign exchange contracts to hedge the exchange rate risk arising on the buyer's credit and foreign currency trade payables.
- Cross currency interest rate swap
- Interest rate swaps to mitigate risk of rising interest rate

There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

Market risk exposures are measured using sensitivity analysis.

### (iv) (a) Foreign Currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters using forward foreign exchange contracts.

The Company is having risk management policy which provides the guidelines for managing the currency risk exposure. Accordingly, the Company has obtained forward contracts to cover up to 100% of its underlying liabilities due within next one year. For balance underlying liabilities the Company has obtained forward contracts to cover from 0-50%.

### Hedging Activities:

The Company uses foreign exchange forward contracts, Interest rate swap to manage some of its exposures. The foreign exchange forward contract is not designated as cash flow hedges and entered into periods consistent with foreign currency exposure of the underlying transactions.

The outstanding derivative contracts of the Company in foreign currency at the end of reporting period:

Particulars	Notional amount (USD in Mns)		Fair value Asset/ (Liability) (₹ in crores)	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Forwards contracts	0.04	1.35	-	0.36
<b>Total</b>	<b>0.04</b>	<b>1.35</b>	<b>-</b>	<b>0.36</b>

The carrying amounts of the Company's foreign currency denominated monetary liabilities at the end of the reporting year.

Currency (In Mns)	Liabilities as at	
	As at March 31, 2021	As at March 31, 2020
USD	0.04	1.35

The outstanding derivative contracts of the Company in foreign currency at the end of the reporting year.

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Currency (USD in Mns)	Liabilities as at	
	As at March 31, 2021	As at March 31, 2020
Forward contracts	0.04	1.35

The foreign currency exposure that are not hedged by derivative instruments is ₹ Nil as at March 31, 2021.

## (iv) (a) (i) Foreign Currency sensitivity analysis

The Company's sensitivity to a 5% increase and decrease in the Rupees against the relevant foreign currencies is Nil as at March 31, 2021 (₹ 0.51 crores as at March 31, 2020). 5% is the sensitivity rate which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items that are not hedged by derivative instruments and adjusts their translation at the year end for a 5% change in foreign currency rates. The sensitivity analysis includes external loans and vendors. A positive number below indicates increase in profit or equity where the INR strengthens by 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity.

## (iv) (a) (ii) Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The floating interest rate risk on borrowings is managed by the Company by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with the interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. The Company's exposures to interest rate on financial asset and financial liabilities are detailed in the liquidity risk management section of this note.

As at March 31, 2021, the Company has variable rate borrowings of ₹ 2,030.22 crores (₹ 1,824.79 crores as at March 31, 2020), out of which net exposure to interest rate risk is ₹ 2,030.22 crores (₹ 1,084.40 as at March 31, 2020) after considering the effect of derivative instruments.

The sensitivity analysis below have been determined based on floating rate rupee borrowings that are not hedged by derivative instruments, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting year was outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2021 would increase and decrease by ₹ 10.18 crores (increase and decrease by ₹ 5.05 crores as at March 31, 2020).

## (iv) (a) (iii) Interest rate swap contract

As at March 31, 2021, there is no Interest rate swap contract taken against loans. Details of swap taken as at March 31, 2020 is as below:

Particulars	Average contracted fixed interest rate	Notional principal amount (₹ in crores)	Fair value assets (liabilities) (₹ in crores)
Term Loan from banks	9.35%	742.50	(0.70)

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument. There was no recognised ineffectiveness during the year ended March 31, 2020.

Cash Flow Hedge Reserve	Amount (₹ In Crores)
<b>As at 31.03.2019</b>	<b>(1.61)</b>
(+) Change in fair value of Interest rate swaps	0.91
<b>As at 31.03.2020</b>	<b>(0.70)</b>
(-) Change in fair value of Interest rate swaps	0.70
<b>As at 31.03.2021</b>	<b>-</b>

## (v) Credit risk management

### Financial assets

The Company maintains exposure in cash and cash equivalents, investments, term deposits with banks, security deposits with counter-parties, loans to third parties. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Company.

The Company's maximum exposure to credit risk as at March 31, 2021 and March 31, 2020 is the carrying value of each class of financial assets as disclosed in the financial statements.

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## Trade receivables

Trade receivables are typically unsecured and are derived from revenue earned from customers. Trade receivables of the Company consist of a large number of customers, spread across diverse industries and geographical areas and hence the Company has minimal concentration of credit risk of its customers. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 and March 31, 2020 is the carrying amounts as disclosed in note 10.

## (vi) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The note below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk. Also, refer note 1.3 on going concern.

As at March 31, 2021, the company has undrawn committed borrowing facilities of ₹ 327.89 crores (March 31, 2020 – ₹ 403 crores) towards working capital limits expiring within a year and renewable at discretion of the banks.

## Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2021;

(₹ in crores)						
Particulars	Carrying amount	Upto 1 year	1-2 year	2-5 year	5+ year	Total contracted cash flows
<b>Financial Liabilities</b>						
<b>Non-Derivative Liabilities:</b>						
Non-Current borrowings (including interest accrued but not due)*	9,868.86	145.00	6,614.36	3,318.19	1,991.73	12,069.28
Lease liabilities	136.83	51.99	53.68	53.36	-	159.03
Current borrowings	3,090.55	3,155.00	-	-	-	3,155.00
Trade payables	264.37	264.37	-	-	-	264.37
Other financial liabilities	6,488.36	6,970.35	-	-	-	6,970.35
<b>Total Non-Derivative Liabilities</b>	<b>19,848.97</b>	<b>10,586.71</b>	<b>6,668.04</b>	<b>3,371.55</b>	<b>1,991.73</b>	<b>22,618.03</b>

\* The interest rate is floating for the loan taken from ICICI Bank forming part of Non-current borrowings, therefore an average rate of 7.25% is considered for arriving at Contracted Cash flows.

# Notes

forming part of the financial statements as at and for the year ended March 31, 2021

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2020;

(₹ in crores)						
Particulars	Carrying amount	Upto 1 year	1-2 year	2-5 year	5+ year	Total contracted cash flows
<b>Financial Liabilities</b>						
<b>Non-Derivative Liabilities:</b>						
Non-Current borrowings (including interest accrued but not due)	6,138.44	-	6,936.01	-	-	6,936.01
Lease liabilities	193.64	56.56	59.74	117.81	-	234.11
Current borrowings	4,338.14	4,426.89	-	-	-	4,426.89
Trade payables	291.07	291.07	-	-	-	291.07
Other financial liabilities	6,262.08	6,512.20	-	-	-	6,512.20
<b>Total Non-Derivative Liabilities</b>	<b>17,223.37</b>	<b>11,286.72</b>	<b>6,995.75</b>	<b>117.81</b>	<b>-</b>	<b>18,400.28</b>
Derivative Liabilities:						
Interest rate Swaps	0.70	0.70	-	-	-	0.70
<b>Total Derivative Liabilities</b>	<b>0.70</b>	<b>0.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.70</b>

## Excessive risk concentration

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions. Further, the Company's policies and procedures include specific guidelines to whereby maximum bank wise limits are set up to which the Company can hedge with each of the banks.

## Note 38

### Related party disclosure (in terms of Ind AS - 24)

#### i) Details of all related parties and their relationships

##### A Ultimate Holding Company

Tata Sons Private Limited

##### B Holding Company

Tata Teleservices Limited

##### C Investing Party of Ultimate Holding Company

Sir Dorabji Tata Trust

Sir Ratan Tata Trust

##### D Subsidiaries, associate and joint venture companies of holding company and ultimate holding company with whom the Company had transactions:

###### Fellow Subsidiaries

Automotive Stampings and Assemblies Limited

C-Edge Technologies Limited

Tata AIG General Insurance Company Limited

Maha Online Limited

MMP Mobi Vallet Payment Systems Limited

Tata Capital Financial Services Limited

Tata Capital Housing Finance Limited

Tata Communications (America) Inc.

Tata Communications Collaboration Services Private Limited

Tata Communications Payment Solutions Limited

Tata Realty and Infrastructure Limited

Tata Communications Transformation Services Limited

Tata Securities Limited

Tata Toyo Radiator Limited

TTL Mobile Private Limited (Formerly known as Virgin Mobile India Pvt Limited)

Infiniti Retail Limited

# Notes

forming part of the financial statements as at and for the year ended March 31, 2021

Tata Advanced Systems Limited  
 Tata Asset Management Limited  
 Tata Autocomp Systems Limited  
 Tata Capital Limited  
 Tata Communication Limited  
 Tata Consultancy Services Limited  
 Tata Consulting Engineers Limited  
 Tata Housing Development Company Limited  
 Tata International Limited  
 Tata Investment Corporation Limited  
 Tata Petrodyne Limited (up to January 20, 2020)  
 Tata Realty and Infrastructure Limited  
 Tata Sia Airlines Limited  
 Tata Trustee Company Limited  
 TCE Consulting Engineers Limited  
 Tata Autocomp Hendrickson Suspensions Private Limited (w.e.f. January 1, 2020)  
 Tata Value Homes Limited (Formerly Smart Value Homes Limited)  
 TRIL Urban Transport Private Limited  
 Tata Elxsi Limited (w.e.f. December 1, 2020)  
 TCS e-Serve International Limited  
 Tata International DLT Private Limited (w.e.f. December 31, 2020)  
 Tata Medical and Diagnostics Limited (w.e.f. July 23, 2020)

## Associate of Fellow Subsidiary

Tata Projects Limited  
 STT Global Data Centers India Private Limited (Formerly known as Tata Communications Data Centers Pvt Limited) (w.e.f. May 28, 2018)

## Associate Of Holding / Ultimate Holding Company

ATC Telecom Infrastructure Private Limited (Formerly Known As Viom Networks Limited)  
 (ATC Infrastructure Services Private Limited has been amalgated w.e.f. September 27, 2019) (Upto December 16, 2020)  
 Tata Coffee Limited  
 TMF Holdings Limited (formerly Tata Motors Finance Limited)  
 Tata Motors Insurance Broking and Advisory Services Limited  
 Tata Power Trading Company Limited  
 Tatanet Services Limited  
 Conneqt Business Solutions Limited (formerly Tata Business Support Services Limited)  
 Tata Chemicals Limited  
 Tata Consumer Products Limited (formerly Tata Global Beverages Limited)  
 Tata Motors Limited  
 Tata Steel Limited  
 The Indian Hotels Company Limited  
 The Tata Power Company Limited  
 Titan Company Limited  
 Trent Limited  
 Voltas Limited  
 Tata Technologies Limited  
 Nelco Limited  
 Tata Steel Downstream Products Limited (formerly Tata Steel Processing and Distribution Limited)  
 Roots Corporation Limited  
 Jaguar Land Rover India Limited  
 Tata Elxsi Limited (upto November 30, 2020)

# Notes

forming part of the financial statements as at and for the year ended March 31, 2021

## Joint venture of fellow subsidiary

Sector 113 Gatevida Developers Private Limited (Formerly Known as Lemon Tree Land & Developers Private Limited)  
Smart Value Homes (New Project) LLP  
Tata AutoComp GY Batteries Private Limited (Formerly known as Tata Autocomp GY Batteries Limited)  
Tata Ficosa Automotive Systems Private Limited (Formerly known as Tata Ficosa Automotive Systems Limited)  
Tata International DLT Private Limited (Upto December 30, 2020)

## Joint Venture of Ultimate Holding Company

Tata AIA Life Insurance Company Limited  
Tata Industries Limited  
Tata Sky Limited  
Tata Smartfoodz Limited (Formerly Known As Smartfoodz Limited)  
Tata Sky Broadband Private Limited

## Post employment benefit plans of Company

Tata Teleservices (Maharashtra) Gratuity Fund  
Tata Teleservices (Maharashtra) Superannuation Fund

## **E Key Management Personnel**

Mr. N. Srinath - Non-Executive Director (w.e.f. April 1, 2020)  
Mr. Harjit Singh - Manager (w.e.f. August 12, 2020)  
Mr. D. T. Joseph - Independent, Non-Executive Director (up to September 21, 2019)  
Ms. Hiroo Mirchandani - Independent, Non-Executive Director  
Mr. Ankur Verma - Non-Independent, Non-Executive Director  
Dr. Narendra Damodar Jadhav - Independent, Non-Executive Director  
Mr. Kumar Ramanathan - Independent, Non-Executive Director (w.e.f. September 24, 2019)  
Mr. Thambiah Elango - Non-Independent, Non-Executive Director  
Mr. Kush S. Bhatnagar - Chief Financial Officer



# Notes

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## ii) Details of transactions with related parties for the year ended March 31, 2021

	Ultimate Holding Company	Holding Company	Fellow subsidiaries	Joint Venture Of Fellow Subsidiary	Associate Of Holding / Ultimate Holding Company	Associate Of Fellow Subsidiary	Joint Venture Of Ultimate Holding Company	Investing Party of Ultimate Holding Company	Key Management Personnel	Total
(₹ in crores)										
<b>1) Expenses :</b>										
- Customer service and call centre cost	-	-	16.27	-	0.07	-	-	-	-	16.34
- Network operation cost	-	-	125.36	-	55.75	4.43	-	-	-	185.54
- Administrative and other expenses	-	0.03	1.04	-	0.00	-	0.11	-	-	1.18
- Rent	-	0.67	-	-	-	-	-	-	-	0.67
- Interconnect and other access costs	-	9.39	2.23	-	-	-	-	-	-	11.62
- Directors sitting fees	-	-	-	-	-	-	-	-	0.44	0.44
- Managerial remuneration	-	-	-	-	-	-	-	-	1.27	1.27
- Interest expense on liability component of Compound Financial Instruments:										
Redeemable preference shares	-	177.86	-	-	-	-	-	-	-	177.86
Inter corporate deposits	-	837.08	-	-	-	-	-	-	-	837.08
Interest on Loan	-	0.16	-	-	-	-	-	-	-	0.16
<b>2) Income :</b>										
- Rent income	-	(3.09)	(0.44)	-	-	-	-	-	-	(3.53)
- Service revenue	(0.03)	(22.67)	(130.99)	(0.03)	(10.18)	(0.09)	(3.90)	(0.09)	-	(167.98)
- Other operating income	-	(1.43)	(17.95)	-	-	-	-	-	-	(19.38)
<b>3) Other Transactions</b>										
- Reimbursement of expenses paid	-	23.40	-	-	-	-	-	-	-	23.40
- Reimbursement of expenses received	-	(24.80)	-	-	-	-	(0.04)	-	-	(24.84)
- Sale of fixed assets	-	(0.27)	-	-	-	-	-	-	-	(0.27)
- Purchase of fixed asset	-	0.55	1.32	-	1.86	-	-	-	-	3.73
<b>4) Loans</b>										
- Inter corporate deposits received (Refer note 17 and 18)	-	(409.00)	-	-	-	-	-	-	-	(409.00)
- Loan repaid (Refer note 18 and 21)	-	6.94	-	-	-	-	-	-	-	6.94
<b>5) Outstanding as at :</b>										
Borrowings (Refer note 18 and 22)	-	(11,608.67)	-	-	-	-	-	-	-	(11,608.67)
Trade receivables	-	8.85	33.56	-	0.49	0.01	0.68	-	-	43.59
Trade payables	-	(9.18)	(46.80)	-	(17.10)	-	-	-	-	(73.08)

In the table above, Income receipts and liabilities are shown in brackets.

# Notes

forming part of the financial statements as at and for the year ended March 31, 2021

## ii) Details of transactions with related parties for the year ended March 31, 2020

	Ultimate Holding Company	Holding Company	Fellow subsidiaries	Joint Venture of Fellow Subsidiary	Associate of Holding / Ultimate Holding Company	Associate of Fellow Subsidiary	Joint Venture of Ultimate Holding Company	Investing Party of Ultimate Holding Company	Key Management Personnel	Total
(₹ in crores)										
<b>1) Expenses :</b>										
- Customer service and call centre cost	-	-	10.44	-	(0.12)	-	-	-	-	10.32
- Advertisement and business promotion expenses	-	-	-	-	-	-	0.04	-	-	0.04
- Network operation cost	0.01	(2.26)	129.67	-	119.91	-	-	-	-	247.33
- Administrative and other expenses	-	(4.13)	1.54	-	0.18	-	0.14	-	-	(2.27)
- Rent	-	0.89	0.16	-	-	-	-	-	-	1.05
- Interconnect and other access costs	-	32.13	21.58	-	-	-	-	-	-	53.71
- Directors sitting fees	-	-	-	-	-	-	-	-	0.26	0.26
- Managerial remuneration	-	-	-	-	-	-	-	-	1.19	1.19
- Interest expense on liability component of Compound Financial Instruments:										
Redeemable preference shares	-	186.97	-	-	-	-	-	-	-	186.97
inter corporate deposits	-	814.74	-	-	-	-	-	-	-	814.74
Loan received	-	1.66	-	-	-	-	-	-	-	1.66
<b>2) Income :</b>										
- Rent income	-	(5.62)	(1.36)	-	-	-	-	-	-	(6.98)
- Service revenue	(0.05)	(18.42)	(109.31)	(0.08)	(9.99)	(0.07)	(3.60)	(0.08)	-	(141.60)
- Other income	-	(0.86)	(4.68)	-	-	-	-	-	-	(5.54)
<b>3) Other Transactions</b>										
- Reimbursement of expenses paid	-	50.73	0.13	-	-	-	-	-	-	50.86
- Reimbursement of expenses received	-	(24.27)	-	-	-	-	-	-	-	(24.27)
- Sale of fixed assets	-	-	-	-	(0.15)	-	-	-	-	(0.15)
- Purchase of fixed asset	-	0.80	0.01	-	1.83	-	-	-	-	2.64
<b>4) Loans</b>										
- Inter corporate deposits received	-	(2,790.15)	-	-	-	-	-	-	-	(2,790.15)
- Loan received*	-	(825.00)	-	-	-	-	-	-	-	(825.00)
<b>5) Outstanding as at :</b>										
Borrowings	-	(11,185.23)	-	-	-	-	-	-	-	(11,185.23)
Trade receivables	-	57.54	24.12	0.01	0.80	-	0.13	-	-	82.60
Trade payables	-	(22.10)	(66.72)	-	(63.87)	-	-	-	-	(152.69)

In the table above, Income receipts and liabilities are shown in brackets.

\* On July 1, 2019, pursuant to the Scheme of demerger of CMB, out of the loan of face value ₹ 825 crores, face value of loan amounting to ₹ 818.06 crores (amortised cost ₹ 743.11 crores) has been transferred on the same terms to Bharti Airtel Limited (BAL).

# Notes

forming part of the financial statements as at and for the year ended March 31, 2021

	(₹ in crores)	
	March 31, 2021	March 31, 2020
Short term employee benefits	1.22	1.16
Post-employment benefits	0.05	0.03
Directors sitting fee	0.44	0.26
<b>Total</b>	<b>1.83</b>	<b>1.45</b>

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.

## Note 39 : Lease liabilities

### A Background of leasing activity:

The Company has lease contracts for various Network Sites, buildings and dark fibre (IRU) also. Company is using Network Sites for transmission and for in door network coverage purpose. The properties taken on lease are used as offices. The average lease period for the sites is 4 years with an average escalation of 3-5% per annum. The average lease period for properties is 2-3 years with an average escalation of 3-5%. Generally the company is restricted to sublet the sites taken on lease.

### B Set out below are the carrying amounts of lease liabilities

	(₹ in crores)	
	2020-21	2019-20
<b>Balance at the beginning of the year</b>	193.64	193.53
Additions	7.00	65.47
Deletion	(24.35)	(28.18)
Accretion of interest	15.89	20.67
Payments	(54.62)	(58.38)
Modification adjustment	(0.74)	0.53
<b>Balance at the end of the year</b>	<b>136.83</b>	<b>193.64</b>
Current	34.60	39.87
Non-current	102.23	153.77
Increase in Cash inflow from operating activities	54.62	58.38
Decrease in Cash inflow from financing activities on account of lease payments *	(54.62)	(58.38)

\* Lease liability principal repayment as per Cash flow + Interest expense on lease liability 116

### Refer note 37 for Maturity Analysis of Lease liabilities

### C Total cash outflow

The company has a total cash flow for leases of ₹ 64.55 crores for year ended March 31, 2021 (152.67 crores - March 31, 2020), out of which the amount paid against interest component is ₹ 15.89 crores (20.67 crores - March 31, 2020) and against principal is ₹ 38.72 crores (37.71 crores - March 31, 2020) for the sites considered for ROU and Lease Liability calculation, the balance payment is made for short term leases and variable rent.

### D Amount recognised in Statement of Profit and Loss

	(₹ in crores)	
Particulars	2020-21	2019-20
Depreciation charge on Right-of-use assets (Refer note 4)	41.28	50.51
Interest expense (included in finance costs) (Refer note 30)	15.89	20.67
Expenses relating to short term leases (included in other expenses)	6.06	14.81
Expenses relating to variable lease payments not included in lease liabilities (included in other expenses)	3.88	3.14
Gain on discontinuation of lease included in other income	4.40	4.63

# Notes

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## E Future Variable Lease Payments

(₹ in crores)				
Future cash outflows not reflected in the measurement of lease liabilities	1 year or less	1 to 5 years	Over 5 years	Total
2020-21	4.80	10.32	-	15.12
2019-20	3.31	10.95	-	14.26

The average escalation rate of 5% is used to calculate the future variable payments

### Additional information pertaining to variable lease payments

The company has lease contracts for Network sites where a part of the total rent is variable. The additional rent paid is ₹ 3.88 crores for FY 2020-21 and ₹ 3.14 crores for FY 2019-20

## F Additional information on short term and low value leases

Company had a leases of a building and MSC sites which are short term i.e. lease term of less than 1 year. These leases were short term lease and the company elected not to recognise right to use assets and lease liabilities for these leases. The lease payment of such leases are directly debited to Statement of Profit and Loss.

## G Additional information on extension and termination option

Under IND AS 116, lease term is defined as non-cancellable period together with any renewal option or termination option with lessee if it is reasonably certain to exercise the option. Both these options with the Company are only considered for the purpose of determination of lease term and the options with lessor is ignored. Most of the lease contracts have an option of extension and termination on mutual concession. The company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control. Generally, the company assesses at lease commencement whether it is reasonably certain to exercise the options. The Company assesses the probability of options basis the review of the network design and the technology and business plans.

## Note 40 : Segment Reporting

The Company is engaged in providing telecommunication services under Unified License. These, in the context of Ind AS 108 on "Segment reporting", are considered to constitute a single reportable segment. Further, the Company provide telecommunication services only in the Indian domestic market and accordingly secondary segment reporting disclosure are not required. Revenues of approximately ₹ 115 crores (March 31, 2020 – ₹ 60.01 crores) are derived from a single external customer.

## Note 41 : Loss per equity share

	Year ended March 31, 2021	Year ended March 31, 2020
i) (Loss) after tax (₹ in crores)	(1,996.69)	(3,714.11)
ii) Weighted average number of shares outstanding	1,95,49,27,727	1,95,49,27,727
iii) Nominal value of equity shares (₹)	10.00	10.00
iv) Basic and Diluted (Loss) per Share (₹)	(10.21)	(19.00)

**Note 42 :** No provision for current Tax expense is required to be made as there is taxable losses arisen for the current financial year on the basis of computation of total income made by the company. There would be carried forward of business loss and unabsorbed depreciation which will aggravate the accumulated business loss and unabsorbed forward brought forward from last year and effectively, there will be tax loss carried forward situation. Since, it is not probable that the company will generate future taxable profits; no deferred tax asset has been recognised on unused tax losses. Accordingly, the Company has restricted recognition of deferred tax asset to the extent of deferred tax liability.

Given that uncertainty over future taxable profits available for set off against unabsorbed depreciation and unabsorbed business losses, the Company has not recognised deferred tax assets of ₹ 6,498.60 crores (March 31, 2020: ₹ 3,119.15 crores) in respect of unabsorbed depreciation and business losses amounting to ₹ 18,597.19 crores (March 31, 2020: ₹ 8,927.17 crores) in aggregate which can be carried forward against future taxable income. Tax losses carry forward for which no deferred tax assets were recorded amounted to:

## Notes

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	(₹ in crores)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Expiring within 1 year	-	-
Expiring within 1 to 5 years	176.83	229.68
Expiring within 5 to 8 years	12,510.48	2,580.58
Expiring without limitation	5,909.88	6,116.91
	<b>18,597.19</b>	<b>8,927.17</b>

The tax rate for March 2021 was 34.94% (March 2020: 34.94%).

**Note 43 :** The following table sets forth the movement in the provision for contingencies:

	(₹ in crores)				
Description	As at March 31, 2020	Provision made/ (reversed) during the year	Payments adjusted against provision	Transferred to Deffered payment Liability/ LF payable	As at March 31, 2021
Provision for contingencies	<b>1,809.27</b>	<b>927.82</b>	<b>(2.89)</b>	<b>(2,708.81)</b>	<b>25.39</b>
	<i>21.31</i>	<i>2,474.40</i>	<i>(686.44)</i>	-	<i>1,809.27</i>

- Figures pertaining to the previous period have been disclosed in italics.
- Provision for contingencies is primarily towards the outstanding claims / litigations against the Company. The Company has evaluated the obligations through Probable, Possible and Remote (PPR) model and reassessed the estimates as a result of more information or experience gained and to reflect the current best estimate. In making the evaluation for PPR, the Company has taken into consideration the Industry perspective, legal and technical view, availability of documentation/ agreements, recent court judgments, interpretation of the matter, independent opinion from professionals (specific matters) etc.

**Note 44 :** The following table sets forth the movement in the Provision for foreseeable losses on long term contracts:

	(₹ in crores)				
Description	As at March 31, 2020	Provision during the year	Transfer to BAL (Refer note 1.2)	Actualisation/ (Reversal)	As at March 31, 2021
Provision for foreseeable losses on long term contracts	<b>47.34</b>	-	-	<b>(27.91)</b>	<b>19.43</b>
	<i>199.11</i>	<i>26.35</i>	<i>(135.16)</i>	<i>(42.96)</i>	<i>47.34</i>

Figures pertaining to the previous period have been disclosed in italics.

**Note 45 :** The following table sets forth the movement in Other Provisions:

	(₹ in crores)		
Description	As at March 31, 2020	Provision towards indemnification (Refer note 1.2)	As at March 31, 2021
Other provisions	2.23	-	2.23

# Notes

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## Note 46 : Net debt reconciliation

(₹ in crores)				
Particulars	As at March 31, 2021	As at March 31, 2020		
<b>Borrowings</b>				
Current borrowings	3,090.55	4,338.14		
Non-current borrowings (including current maturities of long term debt and liabilities directly associated with assets classified as held for sale)	16,311.44	12,363.23		
Interest accrued but not due	27.23	17.42		
<b>Total Borrowings</b>	<b>19,429.22</b>	<b>16,718.79</b>		
Cash and cash equivalents	43.01	84.53		
Current investments (mutual funds)	70.23	-		
	<b>113.24</b>	<b>84.53</b>		
<b>Total Net debt</b>	<b>19,315.98</b>	<b>16,634.26</b>		

(₹ in crores)				
Particulars	Cash and cash equivalents	Current investments (mutual funds)	Total Borrowings	Total Net Debt
<b>Net debt as at April 1, 2019</b>	<b>171.13</b>	<b>608.63</b>	<b>18,034.61</b>	<b>17,254.85</b>
Cash flows	(86.60)	(601.33)	419.87	1,107.80
Interest expense	-	-	1,524.40	1,524.40
Interest paid	-	-	(598.49)	(598.49)
- Fair value adjustments	-	(7.30)	-	7.30
- Adjustments for equity component of compound financial instruments			(1,112.10)	(1,112.10)
- Transfer to BAL (Refer Note 1.2)		-	(1,549.50)	(1,549.50)
<b>Net debt as at March 31, 2020</b>	<b>84.53</b>	<b>-</b>	<b>16,718.79</b>	<b>16,634.26</b>
Cash flows	(41.52)	70.11	(28.97)	(57.56)
Interest expense	-	-	1,545.25	1,545.25
Interest paid	-	-	(348.65)	(348.65)
Other non-cash movements				-
- Fair value adjustments	-	0.12	-	(0.12)
- Adjustments for equity component of compound financial instruments	-	-	(983.52)	(983.52)
- Deferred payment liability for LF/SUC	-	-	2,526.32	2,526.32
<b>Net debt as at March 31, 2021</b>	<b>43.01</b>	<b>70.23</b>	<b>19,429.22</b>	<b>19,315.98</b>

# Notes

forming part of the financial statements as at and for the year ended March 31, 2021

## Note 47 : Social Security Code

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. Implementation of the code has been deferred by Government of India. The Company has done initial assessment based on the current understanding of the provisions in the new code. A detailed assessment will be done once detailed rules are framed and the effective date of implementation is notified. The Company will record any related impact in the period the Code becomes effective.

**Note 48 :** Previous period figures have been regrouped/reclassified where necessary, to conform with current period's presentation for the purpose of comparability.

In terms of our report attached

### For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number - 012754N/N500016

#### Nitin Khatri

Partner

Membership Number: 110282

Place : Mumbai

Date : April 26, 2021

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

#### Hiroo Mirchandani

(Director)

(DIN No. 06992518)

Place : Gurugram

#### Kush S. Bhatnagar

(Chief Financial Officer)

Place : Mumbai

Date : April 26, 2021

#### N. Srinath

(Director)

(DIN No. 00058133)

Place : Mumbai

#### Vrushali Dhamnaskar

(Asst. Company Secretary)

Place : Mumbai

Date : April 26, 2021







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