

KERALA FIBRE OPTIC NETWORK LIMITED
1st Floor, Sankethika, PF Road, Vrindavan Gardens, Pattom
Thiruvananthapuram 695004
CIN: U64200KL2018SGC054541

BALANCE SHEET AS AT 31.03.2023

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
		Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
A ASSETS			
1 Non Current Assets			
a) Capital Work in Progress		11.69	-
b) Deferred Tax	2	-	0.15
		11.69	0.15
2 Current Assets			
(a) Financial Assets	3		
i. Cash & Cash Equivalents		3.03	5.25
ii Bank balance other than (i) above		111.68	104.59
(b) Other Current Assets	4	2.41	0.55
		117.12	110.39
TOTAL		128.81	110.54
B EQUITY & LIABILITIES			
1 Equity			
(a) Equity Share Capital	5	100.00	100.00
(b) Other Equity	6	8.22	6.50
		108.22	106.50
C LIABILITIES			
2 Current Liabilities			
(a) Financial Liabilities	7	0.44	0.52
(b) Other Current Liabilities	8	18.13	2.30
(c) Provisions	9	2.02	1.22
		20.59	4.04
TOTAL		128.81	110.54
Notes on financial statements	1		

Vide our report of even date

For and on behalf of Board of Directors

RATHAN UPENDRA KELKAR IAS
Chairman
DIN : 09606549

PLACE: THIRUVANANTHAPURAM
DATE:

Dr. Santhosh Babu IAS
Director
DIN: 01732308

For VIJAYAN AND ASSOCIATES
CHARTERED ACCOUNTANT

NAME: N VIJAYAN, FCA
PARTNER



KERALA FIBRE OPTIC NETWORK LIMITED
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CIN: U64200KL2018SGC054541

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2023

Particulars	Note No.	For the year ended 31st March 2023 (Rs. in Lakhs)	For the year ended 31st March 2022 (Rs. in Lakhs)
1 Revenue from operations (Gross)		-	-
2 Other Income	10	5.78	5.10
3 Total Revenue (1+2)		5.78	5.10
4 Expenses			
(a) Employee Benefit Expense		-	-
(b) Finance Cost		-	-
(c) Depreciation and amortisation		-	-
(d) Other expenses	11	2.14	1.86
Total expenses		2.14	1.86
5 Profit / (Loss) before exceptional items and tax (3 - 4)		3.64	3.24
6 Exceptional items		-	-
7 Profit / (Loss) before tax (5 + 6)		3.64	3.24
8 Tax expense:			
(a) Current tax		1.79	0.85
(b) Deferred tax		0.13	0.13
9 Profit / (Loss) for the year from continuing operations (7 + 8)		1.72	2.26
10 Discontinued Operations			
(a) Profit/(Loss) from discontinued operations		-	-
(b) Tax expense of discontinued operations		-	-
11 Profit / (Loss) from discontinuing operations(after tax) (9 +10)		-	-
12 Profit / (Loss) for the year (10 +11)		1.72	2.26
13 Other Comprehensive Income		-	-
14 Total Comprehensive Income for the year (12 +13)		-	-
15 Earnings per Equity Share (for continuing operations)			
(a) Basic (Amount in Rupees)		0.17	0.23
(b) Diluted (Amount in Rupees)		0.17	0.23
16 Earnings per Equity Share (for discontinuing operations)			
(a) Basic (Amount in Rupees)		-	-
(b) Diluted (Amount in Rupees)		-	-
17 Earnings per Equity Share (for continuing & discontinuing operations)			
(a) Basic (Amount in Rupees)		0.17	0.23
(b) Diluted (Amount in Rupees)		0.17	0.23
Notes to the financial statements	1		

Vide our report of even date

For and on behalf of Board of Directors

RATHAN UPENDRA KELKAR IAS
Chairman
DIN :09606549

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Statement of Changes in Equity for the year ended 31.03.2023

(Rs. in Lakhs)

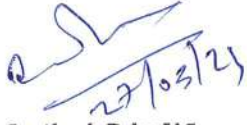
Particulars	Share Capital	Translation Reserve	Retained Earnings	Total
Equity as at 31.03.2022 (A)	100.00	-	6.50	106.50
Profit for the year	-	-	1.72	1.72
Other comprehensive income for the year	-	-	-	-
Dividend paid to Share holders	-	-	-	-
Equity Compensation Plans	-	-	-	-
Reduction in Share Capital	-	-	-	-
Total Transactions	-	-	-	-
Equity as at 31.03.2023	100.00	-	8.22	108.22

Vide our report of even date

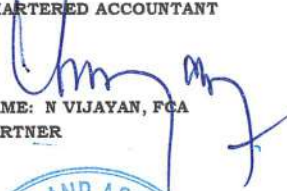
For and on behalf of Board of Directors


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DIN :09606549

PLACE:THIRUVANANTHAPURAM
DATE:


Dr. Santhosh Babu IAS
Director
DIN:01732308

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Cash Flow Statement for the Year ended 31st March 2023

	2022-23	2021-22
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit (Loss) Before Tax	3.64	3.24
Adjustments for:		
Depreciation	-	-
Assets written off/Extraordinary item	-	-
Interest & Finance Charges	-	-
Interest on FD	5.8	5.10
Deferred Tax adjustments	0.02	-
Round off	-	-
Operating Profit before Working Capital Changes	(2.12)	(1.86)
Adjustments for:		
Decrease/(Increase) in deferred tax	-	(0.13)
Decrease/(Increase) in Current assets	-1.86	(0.06)
Increase/(Decrease) in current liabilities	16.55	1.77
Cash generated from operations	14.69	1.58
Less: Income Tax	1.79	0.85
Net Cash used in Operating activities	10.78	(1.13)
B CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Fixed Assets	-	-
Fixed deposits with maturity more than 3 months	(111.68)	(104.59)
Maturity of Fixed Deposits with period more than 3 months	104.59	100.13
Movement in Work in Progress	(11.69)	-
(Increase)/Decrease in Advances & others	-	-
(Increase)/Decrease in Other assets	-	-
Interest income	5.8	5.10
Non Current investment	-	-
Net Cash used in Investing activities	(13.00)	0.64
C CASH FLOW FROM FINANCING ACTIVITIES		
Fresh equity investments	-	-
Long term borrowings repaid	-	-
Other long term liability	-	-
Interest paid	-	-
Net Cash from financing activities	-	-
Net increase in cash & Cash Equivalents	(2.22)	(0.49)
Cash and Cash equivalents as at the beginning of the year	5.25	5.74
Cash and Cash equivalents as at the end of the year	3.03	5.25

For and on behalf of Board of Directors

RATHAN UPENDRA KELKAR IAS
Chairman
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PLACE:THIRUVANANTHAPURAM
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NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2023

Particulars	2022-23 (Rs. in lakhs)	2021-22 (Rs. in lakhs)
NOTE : 2		
DEFERRED TAX (ASSET)		
Opening balance	0.15	0.28
Less: Deferred Tax Expense	0.15	0.13
Closing Deferred Asset (Liability)	-	0.15
NOTE : 3		
FINANCIAL ASSETS		
i. Cash & cash equivalents		
Current Account in State Bank of India	3.03	5.25
ii. Bank balance other than (i)above		
Fixed Deposit with State Bank of India	109.48	104.59
Bank Guarantee	2.20	-
Total	114.71	109.84
NOTE : 4		
OTHER CURRENT ASSETS		
TDS Credit/ Income Tax Refundable	-	0.51
MAT Credit	-	0.04
Input credit receivable on GST	2.10	-
Interest Accrued But Not Due on FD	0.30	-
Total	2.41	0.55
NOTE : 5		
SHARE CAPITAL		
a) AUTHORISED		
10,00,000 equity shares of Rs.10 each	100.00	100.00
b) ISSUED SUBSCRIBED & PAID UP		
10,00,000 equity shares of Rs.10 each with 100% voting right	100.00	100.00
Total	100.00	100.00

c) Details of Shareholders who hold more than 5% shares of the company and their capital contributions

Particulars	As At 31.03.2023		
	No. of shares	Amount (Rs. in Lakhs)	Percentage of Holding
Kerala State IT Infrastructure Ltd	4,90,000	49.00	49%
Kerala State Electricity Board Limited	4,90,000	49.00	49%
Particulars	As At 31.03.2022		
	No. of shares	Amount (Rs. in Lakhs)	Percentage of Holding
Kerala State IT Infrastructure Ltd	4,90,000	49.00	49%
Kerala State Electricity Board Limited	4,90,000	49.00	49%

d) Reconciliation of number of shares at beginning and close of year

Particulars	2022-23	2021-22
No of equity shares as at the beginning of the Year	10,00,000	10,00,000
No of equity shares allotted during the year	0	0
No of equity shares as at the end of the year	10,00,000	10,00,000

e) Terms /Rights attached to equity shares

The company have only one class of equity shares with par value of Rs.10/- per share, with similar rights. The company have not declared any dividend during

f) Shares held by any holding/associate company/or their subsidiaries/associates

98% of the share holding of the company is held by its Associate Companies, namely,(a) Kerala State IT Infrastructure Ltd (49% share holding) & Kerala State Electricity Board Ltd (49% share holding) & the remaining 2% is held by Hon. Governor of Kerala on behalf of Government of Kerala.

g) Aggregate number of bonus shares issued/shares issued for consideration other than cash and share bought back during five years immediately Nil (Previous Year- Nil)**h) Dividend per share proposed as distribution to equity share holders**

Nil (Previous Year - Nil)



NOTE : 6		
OTHER EQUITY		
Opening balance	6.50	4.24
Add: Current year profit (Loss)	1.72	2.26
Total	8.22	6.50
NOTE : 7		
FINANCIAL LIABILITIES		
Expenses payable	0.43	0.52
TDS on Contractual Payments	-	-
TDS on Professional Fee	0.01	-
Total	0.44	0.52
NOTE : 8		
OTHER CURRENT LIABILITIES		
Payable to Kerala State IT Infrastructure Ltd	18.13	2.30
Total	18.13	2.30
NOTE : 9		
PROVISIONS		
Provision for Statutory Audit Fee	0.40	0.35
Provision for Income Tax Fee Demand	0.01	-
Provision for ROC filing charges	0.41	-
Provision for Income Tax	1.20	0.87
Total	2.02	1.22

NOTE : 9.1
MOVEMENT OF PROVISION

Particulars	Audit Fee		ROC Filing		Income Tax		Income Tax Fee Demand	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Opening Balance	0.35	0.35	-	0.17	0.87	1.13	-	-
Add: Addition during the year	0.40	0.35	0.41	-	1.78	0.85	-	-
Less: Utilized during the year	-	-	-	0.17	1.45	-	0.01	-
Less: Reversed during the year	-	-	-	-	-	-	-	-
Less: Transferred to Liabilities during the year	0.35	0.35	-	-	-	1.11	-	-
Closing Balance	0.40	0.35	0.41	-	1.20	0.87	0.01	-

NOTE : 9.2
RELATED PARTY DISCLOSURE

Name of Related Party		Nature of Relationship	
(i) Kerala State IT Infrastructure Ltd		Associate Company	
Related Party	Nature of Transactions	2022-23	2021-22
Kerala State IT Infrastructure Ltd	Temporary advance taken (Note No. 8)	18.13	2.30

NOTE : 9.3
CONTINGENCIES AND COMMITMENTS

Particulars	2022-23	2021-22
Contingencies and Commitments	Nil	Nil
Claims against the company not acknowledged as debt	Nil	Nil

Figures in bracket denotes negative figures

Previous year figures have been re arranged or regrouped to confirm with current year presentation of Financial statements.



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NOTES FORMING PART OF STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2023

Particulars	For the year ended to 31st March, 2023 (In Rs.)	For the year ended to 31st March, 2022 (In Rs.)
NOTE:10		
OTHER INCOME		
Interest from fixed Deposit	5.76	5.10
Interest received on Incometax refund	0.00	-
Previous years Incometax refund	0.02	-
Total	5.78	5.10
NOTE : 11		
OTHER EXPENSES		
ROC Filing Charges	0.13	1.22
Provision for Late filing Fees	0.20	-
Statutory Audit Fee (Refer Note 11.1)	0.40	0.35
Audit Expenses	0.08	0.08
Professional Charges	0.23	0.08
Bank Charges & Deductions	0.05	0.01
Income Tax Late Fee	0.01	-
Interest on Income Tax	0.05	-
Late Fee for ROC Forms	0.95	-
Late Fee GST	0.02	-
Late filing Fee for Income Tax Fy 2018-19	0.01	-
Other Expenses	-	0.11
Total	2.14	1.86
NOTE : 11.1		
PAYMENT TO AUDITORS		
Payable at the year end		
(a) For Statutory Audit	0.40	0.35
(b) For Taxation matters	-	0.08
(c) For other services	-	-
Paid during the year		
(a) For Statutory Audit	0.35	0.43
(b) For Taxation matters	-	-
(c) For other services	-	-



IV. Additional Regulatory Information

I Title deeds of immovable property not held in name of the company

Relevant line item in the Balance Sheet	Descriptions of item of property	Gross carrying Value	Title deeds held in the name of	Whether title deed holder is a promotor, director or relative of Promotor' director or employee of promoters/ director	Property held since which date	Reason for not being held in the name of company
As on March 31, 2023 - Nil						
As on March 31, 2022 - Nil						

- II The Company has not revalued its Property, Plant and Equipment during the current year and previous year.
- III Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:
- (a) repayable on demand or
- (b) without specifying any terms or period of repayment

Type of Borrower	Amount of loan and advance in the nature of loan outstanding		Percentage to the total loans and advances in the nature of loans	
	As on March 31, 2023	As on March 31, 2022	As on March 31, 2023	As on March 31, 2022
Promoters	Nil	Nil	Nil	Nil
Directors				
KMPs				
Related Parties				

IV Capital Work In Progress (CWIP)

(a) Ageing schedule of capital-work-in progress

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	As on March 31, 2023 - Nil				
	As on March 31, 2022 - Nil				
Projects temporarily suspended	As on March 31, 2023 - Nil				
	As on March 31, 2022 - Nil				

(b) CWIP completion schedule for capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
As on March 31, 2023 - Nil					
As on March 31, 2022 - Nil					

V Intangible assets under development:

(a) Aging schedule for intangible assets under development

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
Projects in progress	As on March 31, 2023 - Rs. 11.69 lakhs				
	As on March 31, 2022 - Nil				
Projects temporarily suspended	As on March 31, 2023 - Nil				
	As on March 31, 2022 - Nil				

(b) Intangible assets under development completion schedule

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	
As on March 31, 2023 - Nil					
As on March 31, 2022 - Nil					

VI Details of Benami Property held

As on March 31, 2023 - Nil
As on March 31, 2022 - Nil

VII Disclosure related to borrowings from banks or financial institutions on the basis of current assets

(a) The company has not availed any borrowings from banks or financial institutions on the basis of current assets, during the year ended March 31, 2023 and no such borrowings outstanding as on March 31, 2023.

(b) Summary of reconciliation and reasons of material discrepancies, if quarterly returns or statements of current assets filed by the company with banks are not in agreement with the books of accounts of the company.



Quarter ended	Balance as per books of accounts	Amount disclosed in quarterly returns / statements	Difference	Reason for difference
			Nil	

VIII Wilful Defaulter

a. Date of declaration as wilful defaulter	Not declared as wilful defaulter
b. Details of defaults (amount and nature of defaults)	
As on March 31, 2023 - Nil	
As on March 31, 2022 - Nil	

IX Relationship with Struck off Companies

Transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

Name of struck off Company	Nature of transactions with struck-off Company	Balance outstanding	Relationship with the Struck off company, if any, to be disclosed
	As on March 31, 2023 - Nil		
	As on March 31, 2022 - Nil		



X Registration of charges or satisfaction with Registrar of Companies

Charges yet to be registered with	Satisfaction of charges yet to be	Reasons for delay / non registration
	Nil	-

XI Compliance with number of layers of companies.

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

XII Ratios

Ratios	Numerator	Denominator	For the year 2022-23	For the year 2021-22	% of Change	Remarks
Current ratio	Current assets	Current liabilities	5.69	27.32	(79.18)	A significant increase has occurred in Current liabilities during the year which relates to payment of Rs.18.13 Lakh done by KSITIL to BSNL against BSNL invoice in the name of KFON Limited. This is the major reason for reduction in Current Ratio from that of the previous year.
Debt Equity ratio	Debt Capital	Shareholder's Equity	-	-	-	
Debt service coverage ratio	EBITD	Debt Service (Int+Principal)	-	-	-	
Return on Equity ratio	Profit for the year	Average Shareholder's Equity	0.02	0.01	60.21	Increase in Other Equity has resulted in increase of the ratio during the year.
Inventory Turnover ratio	COGS	Average Inventory of FG	-	-	-	
Trade Receivables turnover ratio	Net Sales	Average trade receivables	-	-	-	
Trade payables turnover ratio	Total Purchases/Event Expenses	Closing Trade Payables	-	-	-	
Net capital turnover ratio	Sales	Working capital (CA-CL)	-	-	-	
Net profit ratio %	Net Profit	Total Income	29.76	44.31	(32.84)	Net Profit before Tax shows an increase of 12.35% during the current year. But due to the effect of Current year Tax and Deferred Tax adjusted the Net Profit after Tax got reduced compared to that of the previous year
Return on Capital employed %	Earnings before Interest and tax	Capital Employed	1.59	2.12	(25.03)	As the Net profit after tax got reduced during the year, Return on Capital Employed also got reduced.
Return on investment %	Net Profit	Investment	1.72	2.26	(23.89)	As the Net profit after tax got reduced during the year, Return on Investment too got reduced.

XIII Compliance with approved Scheme(s) of Arrangements

No scheme of arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, applicable to the company.

XIV Utilisation of Borrowed funds and share premium:

Repayment agreement - Tripartite was executed by the company with KIIFB and Government of Kerala on 23/09/2023 (after the reporting period). The agreement effective date is 23/09/2023.



**DISCLOSURE TO AUDITED FINANCIAL STATEMENTS OF KERALA FIBRE
OPTIC NETWORK LIMITED FOR THE YEAR ENDED 31ST MARCH, 2023**

NOTE :1

I. Corporate Information

Kerala Fibre Optic Network Limited (KFON Ltd), is a Government Company incorporated under the Companies Act 2013 on 06.09.2018 having Registered Office at 1st Floor, Saankethika, PF Lane, Vrindavan Gardens, Pattom Palace.P.O, Thiruvananthapuram - 695004. The Company's aim is to operate one of the ambitious plan of Government to provide internet connection to BPL families, Government offices, hospitals, and schools.

II. Significant Accounting Policies

(a) Basis of accounting and preparation of financial statements.

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 and relevant provisions of the Companies Act, 2013. Accordingly, KFON Ltd has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss for the year ended 31 March 2023, the Statement of Cash Flows for the year ended 31 March 2023 and the Statement of Changes in Equity for the year ended 31 March 2023. Since KFON Ltd is an Associate Company of KSEB Ltd (which follows IND AS) Indian Accounting Standard (IND AS) is adopted for the preparation of Financial Statements as per the provisions of the Companies Act 2013 and applicable Rules.

(b) Presentation of Financial Statements

The standalone financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013. Figures in Financial Statements have been rounded off to nearest lakhs with two decimal places.



(c) Current and Non-current Classification

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

An asset shall be classified as current when it satisfies any of the following criteria:—

- It is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within twelve months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability shall be classified as current when it satisfies any of the following criteria:—

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(d) Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognized when the company has a present obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.



Contingent Assets are not recognized in the financial statements. However, when the realization of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

(e) Cash flow statement

Cash flows have been prepared under "Indirect Method" as per IND AS 7. The cash flows from operating, investing and financing activities of the company are segregated.

III. Notes forming part of Financial Statements

1. Kerala Fibre Optic Network Limited (KFON Ltd) is a joint venture company of Kerala State IT Infrastructure Limited (KSITIL) and Kerala State Electricity Board Limited (KSEBL). The implementation of KFON project is being done by KSITIL and further to this, the monetization of KFON project is carried out by KFON Ltd. The implementation part of KFON Project is assigned to KSITIL by the Government as per G.O (Ms) No. 10/2017/ITD dated 18/05/2017. After the implementation, the assets and liabilities of the Project shall be transferred from KSITIL to KFON Ltd. Therefore, during the current financial year all the transactions related with the KFON Project are reflected in the books of KSITIL. Revenue from KFON Project will be generated to the Company only after the implementation of the Project and therefore Going Concern Concept is not affected in preparation of financial statements.
2. The funding of KFON project (capex) is Rs. 1061.73 Crore as Loan from KIIFB and Rs.336.15 Cr from Government of Kerala as per GO (Ms)No.27/2019/ITD dated 11/11/2019. Being the implementing agency of KFON project, the KFON project assets and KFON project liabilities are now booked in the books of M/s Kerala State Information Technology Infrastructure Limited. As on 31/03/2023 the project asset and project liability booked in the books of KSITIL is as follows:

1	KFON Project Assets	Rs. 644.15 Crore
2	KFON project Liability	Rs. 616.33 Crore

The difference in the project assets and project liabilities is because of the following reasons:



- a. During the year 2021-22 Government of Kerala resumed an amount of Rs. 48.26 Crore on 31/03/2022 from the Treasury PSTSB account of KSITIL vide No. 799012700000582. During this time, the bill cleared by KSITIL is pending to remit by Government of Kerala through ways and means clearance from Treasury. Subsequently after the financial year, Government issued GO(Rt)no. 102/2022/ITD dated 28/05/2022 with regard to the release of resumed amount of Rs. 48.26 crore. The resumed amount of Rs. 48.26 Crore by the Government was returned in treasury PSTSB account of KSITIL on 14/06/2022.
- b. During the year 2022-23 Government of Kerala resumed an amount of Rs. 13.36 Crore on 31/03/2023 from the Treasury PSTSB account of KSITIL vide No. 799012700000582. During this time, the bill cleared by KSITIL is pending to remit by Government of Kerala through ways and means clearance from Treasury. Subsequently after the financial year, Government issued vide order no. GO(Rt)no121/2023/ITD dated 05/06/2023 towards returning of Rs. 32.81 Lakhs out of the resumed fund of Rs. 13.36 Crore. And vide order no. GO(Rt)no121/2023/ITD dated 05/06/2023 was also issued by the Government towards the returning of balance amount of Rs. 12.33 Crore from the resumed fund. Further Government (Rt) No.119/2023/ITD dated 05/06/2023 was issued to return the resumed fund of Rs. 40 lakhs. In total, out of the resumed fund of Rs. 13.36 Crore, Government returned only Rs. 13.06 Crore. The said amounts were received in the treasury PSTSB account of KSITIL on 08/06/2023.
- c. The treasury ways and means clearance requires one to two months and sometimes more than that for the clearances of bills submitted. The statutory payments like Railway Right of Way permission payments, License fees and incidental payments associated with the KFON project execution are to be made immediately for avoiding delay in the execution of the project. In such cases, being the implementing agency KSITIL remit such payments from its own fund and later it will be reimbursed from the Government on submission of payment details.
3. KFON Ltd has entered into a tripartite agreement between Government of Kerala and KIIFB on 23/09/2023 with regard to the repayment of Loan provided by KIIFB to KSITIL towards KFON project. The loan amount was disbursed by KIIFB to the execution agency M/s KSITIL. According to the terms stipulated in the repayment agreement, interest payments shall commence from the 61st month of first disbursement and that the interest during moratorium shall be accrued to the principal. A Charge has been created (Charge ID:100812735) with KIIFB for an amount of Rs 1061.73 Lakh based on the repayment agreement executed by the



Company. As on 16/02/2024 KIIFB released an amount of Rs. 486.15 Cr to M/s Kerala State IT Infrastructure Limited towards KFON Project. The initial tripartite agreement for loan disbursement was executed with KIIFB by KSITIL and Government of Kerala. Hence it will be considered as the transfer of obligation of loan which was disbursed by KIIFB to KSITIL as part of KFON project. The obligation was transferred to KFON Ltd with the moratorium interest payable to KIIFB for the amount disbursed to KISTIL. The obligation on the part of KFON Ltd shall be with effect from the date of execution of repayment agreement by the company with KIIFB i.e, 23/09/2023. In this regard KFON Ltd has not accounted the loan during the FY 2022-23 and it will be accounted in the books of accounts of the Company in the FY 2023-24.

4. KFON project has reached physical completion above 95% of the feasible scope. Based on the project status, KFON has started activities to monetise the network to support revenue generation. Under this situation, it is necessary to start O&M in parallel to maintain the network. Hence KFON has started O&M on a progressively manner wherever, Acceptance Testing (AT) has been completed. The payment and receipts with regard to the operation and maintenance of KFON project starts recording in the books of accounts during the Financial Year 2023-24.
5. As per GO No: 10/2018/ITD dated 10/05/2018 and clause 6.01 of JV agreement, Pole rentals and power charges shall be paid by the JV company to KSEBL. However, KSEBL has not quantified the amount of pole rentals to be paid and no demand in this regard has been received from KSEBL till date. Hence no pole rentals and power charges have been accounted till date in the books of accounts of the company.
6. There is a difference in the deferred tax expenses due to the adjustment in the balance sheet.
7. An amount of Rs 1,18,000/- purchase reflected in the GSTR 2B from M/s Super pass Technologies Private Limited is not as service/ purchase availed by the company as on date. Hence a notice stating the show cause has been issued to the company M/s Super pass Technologies private Limited.
8. The MAT credit of Rs. 4003 was availed with the tax liability for the year 2020-21. The same has been rectified in the financial statement.



9. The filing of MGT-7 for the FY 2022-23 is delayed due to the pending finalization of accounts.
10. The statutory audit fees to M/s Kannan & Kassim for the FY 2020-21 were cleared from KSITIL and hence the tds was deducted, remitted and filed by KSITIL. Hence to avoid double booking of tds, this was not deducted in the books of KFON Ltd.
11. Movement of Deferred Tax Account during the previous years and current financial year:

Financial year	Deferred Tax Account in Books of Account (in Rupees)			As per Audited Financials (in lakhs)
	Opening Balance	Yearly write-off	Closing Balance	Closing Balance
2019-20	53725.00	13431.00	40294.00	0.41
2020-21	40294.00	13431.13	26862.87	0.28
2021-22	26862.87	13431.13	13431.74	0.15
2022-23	13431.74	13431.74	0	

12. Other Equity

OTHER EQUITY

Particulars	FY 2022-23 (in lakhs)	FY 2021-22 (in lakhs)
Opening balance	6.50	4.24
Add: Current year profit (Loss)	1.72	2.26
Total	8.22	6.50

