

FONE4 COMMUNICATIONS(INDIA) LIMITED

Registered Office: Door No.34/664, Omar Square, Ground Floor, Toll Jn Edappally Kerala Ernakulam – 682024
CIN: U51506KL2014PLC036625 E Mail id: hamid@fone4.in

Date: 08th June, 2023

To,

The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers Dalal Street 28th Floor, Dalal Street, Mumbai- 400001	Company Symbol: FONE4 Script Code: 543521
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Subject: Revised Outcome of the Board Meeting under Regulation 30 & 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Madam,

This is to inform you that the Board of Directors of the Company at their meeting held on **Tuesday, 30th May, 2023** at the registered office of the Company at **Door No.34/664, Omar Square, Ground Floor, Toll JN Edappally, Kerala - 682024 India** have approved the Standalone Audited Financial Results of the Company for the half and year ended on **31st March, 2023**. A copy of the said financial results along with the Audit Report of the Statutory Auditors thereon is enclosed herewith.

The meeting of the Board of Directors commenced at 09:00 P.M. and concluded at 11:45 P.M.

You are requested to take the same on record and do the needful.

Thanking you,
Yours Faithfully

For & on behalf of
Fone4 Communications(India) Limited
(Formerly known as Fone4 Communications(India) Private Limited)

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by SAYYED
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HAMID Date: 2023.06.08
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Sayyed Hamid
Managing Director
DIN: 05167876

Encl: As above



F.R.N. 022743N

KAPISH JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

Head Office: 504, B-Wing, Statesman House, 148, Barakhamba Road, New Delhi - 110001 | Phone : +91-11-43708987
Mobile : +91 9971 921466 | Email : ca.kapish@gmail.com | Website : www.kapishjainassociates.com; www.cakja.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **Fone4 Communications (India) Limited**
Report on the Audit of the Standalone Annual Financial Results

Qualified Opinion

We have audited the accompanying standalone annual financial results of **Fone4 Communications (India) Limited** ("the Company") for the six-months ended and year ended 31 March 2023 ("the Statement" or "standalone annual financial results"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matter described in the Basis for Qualified Opinion section of our report**, the aforesaid standalone annual financial results:

- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Accounting Standards, and other accounting principles generally accepted in India, of the net loss and other financial information for the year ended 31 March 2023.

Basis for Qualified Opinion

Attention is invited to the following matters in the Notes to the Standalone Annual Financial Results:

- the company had initiated the process of software migration, during the last financial year, for its accounting database from its existing legacy package to tally package (desktop version) for which reconciliation is still in process.*
- the confirmations in certain cases regarding the closing balances of trade receivables, trade payables and loans & advances were not made available to us by the management. Therefore, we are unable to comment whether those balances as shown in financial results are correct or not.*
- the Company is in process of reconciliation of GST input tax credit between credit lying in books and credit available in GSTR-2A at GST portal. Any discrepancies out of such reconciliation, if any, is presently not ascertainable.*
- the Company has registered under the Employees Provident Fund Act, 1952 and Employee's State Insurance Act, 1948, however, the same has not been deducted and deposited on the eligible employees. The impact of the same is not ascertainable.*



We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Annual Financial Results 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 standalone financial statements under the provisions of the Companies Act, 2013 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 on the standalone annual financial results.

Management’s and Board of Director’s Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company’s Management’s and the Board of Director’s are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors 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 Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results 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 standalone annual financial results.



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

- Identify and assess the risks of material misstatement of the standalone 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has 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 in the standalone annual financial results made by the management and Board and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors 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 appropriateness of this assumption. 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 standalone annual financial results 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 standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Emphasis of Matters

Without qualifying our opinion, we draw attention on the following matters;

- (a) the Company has not maintained the adequate records for inventory lying as stock in trade. However, physical verification of stock has been conducted by M/s J Krishnan & Associates, Chartered Accountants as on 31 March 2023 and the verification report has been submitted to us by the management. We have relied up on the aforesaid report.



- (b) in certain instances, the Company has made purchases from and sales to the same parties during the year, accordingly, the same has been considered under 'Gross Revenue' and 'Purchases' both in the financial results.
- (c) the Company has shut down its 24 retail stores / showrooms in the state of Kerala, therefore, the fixed assets including leasehold improvements, furniture/fixtures, electrical equipment's and fittings lying at the aforesaid stores have been adjusted out of the outstanding balances of franchisee's during the year. Accordingly, an amount of Rs. 57.59 lacs have been debited to the Statement of Profit and Loss as 'loss on sale of fixed assets'.
- (d) the Company has not complied with the provision of tax deducted at source as per provision of Income Tax Act, 1961 during the year. An amount of Rs. 9.87 lacs have been deducted at source, however, not yet deposited to the authorities by the Company. Subsequently, TDS returns not yet submitted for the same.

Other Matters

The standalone annual financial results include the results for the six months ended 31 March 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the end of September of the current financial year which were subject to limited review by us.

For **Kapish Jain & Associates**
Chartered Accountants
Firm Registration Number 022743N




CA Kapish Jain
Partner
Membership No. 514162
UDIN 23514162 BQ W H C F 2860

Place: New Delhi
Date: 30 May 2023

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**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS
FOR THE SIX MONTHS AND YEAR ENDED 31 MARCH 2023**

Rs. In Lakhs

Sl.No	Particulars	Six Months Ended			Year ended	
		31.03.2023	30.09.2022	31.03.2022	31.03.2023	31.03.2022
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	Income					
	a) Revenue from operations	8,381.05	1,666.83	2,402.57	10,047.88	5,018.25
	b) Other income	0.01	259.05	165.49	259.06	176.66
	Total income	8,381.06	1,925.88	2,568.05	10,306.94	5,194.91
2	Expenses					
	a) Direct Expenses	7,869.69	1,442.07	1,961.43	9,311.76	4,414.11
	b) Changes in inventories of stock in trade	602.65	186.65	55.93	789.30	(58.01)
	c) Employee benefits expense	19.24	56.28	101.77	75.52	167.73
	d) Finance costs	8.70	33.12	46.92	41.82	79.24
	e) Depreciation and amortisation expense	29.46	30.20	54.74	59.66	83.76
	f) Other expenses	74.26	163.00	312.76	237.26	465.10
	Total expenses	8,603.99	1,911.33	2,533.60	10,515.31	5,151.93
3	Profit(loss) before exceptional item & tax (1-2)	(222.93)	14.55	34.45	(208.37)	42.98
4	Exceptional Items	-	-	83.99	-	83.99
5	Profit(loss) before tax (3-4)	(222.93)	14.55	118.44	(208.37)	126.97
6	Tax expense					
	-Income tax expense	(4.88)	4.88	19.84	-	19.84
	-Deferred tax expense	(17.82)	(1.10)	29.84	(18.92)	29.84
7	Net Profit(Loss) after tax (5-6)	(200.23)	10.77	68.76	(189.45)	77.29
8	Other comprehensive income (OCI)					
	Items that will not be reclassified to profit and loss	-	-	-	-	-
	Income Tax relating to Items that will not be reclassified to profit and loss	-	-	-	-	-
9	Total comprehensive income for the period (7+8)	(200.23)	10.77	68.76	(189.45)	77.29
10	Paid-up Equity Share Capital (Face value of Rs.10/- each)	1,705.00	1,705.00	1,025.00	1,705.00	1,025.00
11	Other Equity (excluding revaluation reserve)	-	-	-	(343.36)	(153.92)
12	Earnings per share (of Rs.10/- each)	(1.17)	0.07	1.52	(4.20)	1.71
	Basic & Diluted (Rs.)					

Notes:-

- The above Financial Results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors at their meeting held on 30 May 2023.
- The above results have been prepared in accordance with the recognition and measurement principles of Accounting Standard("AS"), prescribed under Section133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- The Company is engaged in the business of mobile phones,electronic gadgets,mobile phone accessories,computer/laptop and computer/laptop parts and other electronic consumer durables. Hence, the Company has a single reportable segment as per the Accounting Standard - 17.

4 STANDALONE STATEMENT OF ASSETS & LIABILITIES

Rs. In Lakhs

Particulars	Standalone	
	As at 31.03.2023	As at 31.03.2022
EQUITY AND LIABILITIES		
1 Shareholders' funds		
a) Share capital	1,705.00	1,025.00
b) Reserves and surplus	(343.36)	(153.92)
Total Equity	1,361.64	871.08
2 Liabilities		
Non-current liabilities		
a) Long-Term Borrowings	-	95.27
b) Other long-term liabilities	-	-
c) Long-term provisions	4.91	3.85
Total non-current liabilities	4.91	99.12
Current liabilities		
a) Short-Term Borrowings	207.49	72.64
b) Trade payables	-	-
(i) Total outstanding dues of micro enterprises and small enterprises; and	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,011.51	2,837.57
c) Other current liabilities	173.48	276.82
d) Short-term provisions	20.83	24.18
Total current liabilities	3,413.31	3,211.21
Total equity and liabilities	4,779.86	4,181.41
Assets		
1 Non-current assets		
a) Property, plant and equipment		
(i) Tangible assets	32.20	223.69
(i) Intangible assets	2.62	3.40
b) Long-term loans and advances	1,505.19	830.69
c) Other non-current assets	-	-
d) Deferred tax assets (Net)	76.81	57.89
Total non-current assets	1,616.83	1,115.65
2 Current assets		
a) Inventories	1,239.75	2,044.22
b) Trade receivables	1,242.07	183.35
c) Cash and bank balances	5.94	12.00
d) Short-term loans and advances	543.15	825.32
e) Other current assets	132.12	0.87
Total current assets	3,163.03	3,065.77
Total assets	4,779.86	4,181.41

5 STANDALONE STATEMENT OF CASH FLOWS

Rs. In Lakhs

	For the year ended	
	As at 31.03.2023	As at 31.03.2022
A. Cash flow from operating activities		
Profit/(loss) before tax	(208.37)	42.98
Adjustments for :		
Prior items	-	(83.99)
Depreciation and amortisation expense	59.66	83.76
Net (profit)/ loss on disposal of property, plant and equipment	57.59	-
Credit balances written back	(258.46)	(156.63)
Interest incomes	(0.08)	-
Interest expenses	41.82	79.24
	(307.85)	(34.64)
Changes in assets and liabilities		
(Increase) / Decrease in inventories	804.46	(58.01)
(Increase) / Decrease in trade receivables	(1,058.72)	1,183.67
(Increase) / Decrease in loans and advances	(392.33)	(952.50)
(Increase) / Decrease in other assets	(131.25)	131.52
Increase / (decrease) in trade payables	426.75	656.19
Increase / (decrease) in provisions	(103.34)	24.18
Increase / (decrease) in other liabilities	3.36	(339.95)
Cash generated from operating activities	(758.91)	610.47
Taxes paid (net of refunds)	-	-
Net cash generated from operating activities	(758.91)	610.47
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment	-	(1.61)
Sale proceeds from sale of property, plant and equipment	75.00	-
Interest and other income	0.08	-
Net cash generated from/(used in) investing activities	75.08	(1.61)
C. Cash flows from financing activities		
Interest and finance cost	(41.82)	(79.24)
Proceeds from issue of equity shares	680.00	850.00
(Repayments) / proceeds of long term borrowings	(66.39)	(897.19)
(Repayments) / proceeds of short term borrowings	105.98	(496.95)
Net cash generated from/(used in) financing activities	677.77	(623.39)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(6.06)	(14.53)
Cash and cash equivalents at the beginning of year	12.00	26.53
Cash and cash equivalents at the end of year	5.94	12.00
Cash & cash equivalent comprise of:		
Cash on hand	2.82	1.98
Balance with banks		
- In current accounts	3.13	10.02
- deposits of original maturity of less than three months		
Total	5.94	12.00

* The above statement of cash flow has been prepared under the 'Indirect Method'.

6 The figures for the previous period have been regrouped / rearranged / reclassified wherever necessary

For and Behalf of Board of
FONE4 COMMUNICATIONS(UNDIA) LIMITED



Sayyed Hamid
Managing Director
DIN 05167876

Date: 30 May 2023
Place: Ernakulam

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Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I

S. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
1	Turnover / Total income	10306.94	NA
2	Total Expenditure	10515.31	NA
3	Net Profit/(Loss)	(189.45)	NA
4	Earnings Per Share	(4.20)	NA
5	Total Assets	4779.86	NA
6	Total Liabilities	4779.86	NA
7	Net Worth	1361.64	NA
8	Any other financial item(s) (as felt appropriate by the management)		

II Audit Qualification (each audit qualification separately):

S. No	Particulars	Remarks
	Details of Audit Qualification:	Following qualification has been given by the Auditors in the audit report on Standalone Financial Statements of the Company: The company had initiated the process of software migration, during the last financial year, for its accounting database from its existing legacy package to tally package (desktop version) for which updation / reconciliation is in process
	Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified
	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive

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	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not Applicable
	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	Earlier company was using ERP Software for accounting; however, the Company has switched to Tally Accounting software version. Migration of Accounting Software is a time-consuming process as we need to reconcile entries in suitable tabs in new software in consonance with previous software. It is pertinent to mention that presented financials depicts the accurate & correct picture however Company is practicing updation/reconciliation in respect of current accounting.
	(ii) If management is unable to estimate the impact, reasons for the same:	Not Ascertainable
	(iii) Auditors' Comments on (i) or (ii) above:	

Sayyed Hamid
Managing Director
DIN: 05167876

Sayyed Imbichi Haris Sayyed
CFO
PAN: AFUPI7620H

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CA Kapish Jain
Partner
Membership No. 514162

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S. No	Particulars	Remarks
	Details of Audit Qualification:	Following qualification has been given by the Auditors in the audit report on Standalone Financial Statements of the Company: The confirmations in certain cases regarding the closing balances of trade receivables, trade payables and loans & advances were not made available to us even directly or by the management. Therefore, we are unable to comment whether those balances as shown in financial statements are correct or not.
	Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified

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	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not Applicable
	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	In this regard we would like to apprise you of the fact that due to migration to Tally Accounting Software which is a time-consuming process and the complete finance team was engaged in the said process. Due to paucity of time, confirmations in certain cases regarding the closing balances of trade receivables, trade payables and loans & advances were not made available to auditor by the management
	(ii) If management is unable to estimate the impact, reasons for the same:	Not Ascertainable
	(iii) Auditors' Comments on (i) or (ii) above:	

Sayyed Hamid
Managing Director
DIN: 05167876

Sayyed Imbichi Haris Sayyed
CFO
PAN: AFUPI7620H

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CA Kapish Jain
Partner
Membership No. 514162

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II Audit Qualification (each audit qualification separately):

S. No	Particulars	Remarks
	Details of Audit Qualification:	Following qualification has been given by the Auditors in the audit report on Standalone Financial Statements of the Company: the Company is in process of reconciliation of GST input tax credit between credit lying in books and credit available in GSTR-2A at GST portal. Any discrepancies out of such reconciliation, if any, is presently not ascertainable.
	Type of Audit Qualification:	Qualified

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	Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	
	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not Applicable
	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	In this regard, the Company is in process of updating the system and soon be reconciled
	(ii) If management is unable to estimate the impact, reasons for the same:	Not Ascertainable
	(iii) Auditors' Comments on (i) or (ii) above:	

Sayyed Hamid
Managing Director
DIN: 05167876

Sayyed Imbichi Haris Sayyed
CFO
PAN: AFUPI7620H

KAPISH Digitally signed
by KAPISH JAIN
Date:
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18:26:13 +05'30'

CA Kapish Jain
Partner
Membership No. 514162

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II Audit Qualification (each audit qualification separately):

S. No	Particulars	Remarks
	Details of Audit Qualification:	Following qualification has been given by the Auditors in the audit report on Standalone Financial Statements of the Company: the Company has registered under the Employees Provident Fund Act, 1952 and Employee's State Insurance Act, 1948, however, the same has not been deducted and deposited on the eligible employees. The impact of the same is not ascertainable.
	Type of Audit Qualification:	Qualified

FONE4 COMMUNICATIONS(INDIA) LIMITED

Registered Office: Door No.34/664, Omar Square, Ground Floor, Toll Jn Edappally Kerala Ernakulam – 682024

CIN: U51506KL2014PLC036625 E Mail id: hamid@fone4.in

	Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	
	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive
	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not Applicable
	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	We would like to apprise you of the fact number of employees falls below the minimum eligibility criteria required to comply the Act, that's why company was not complying the same. However, we are in process of complying the same.
	(ii) If management is unable to estimate the impact, reasons for the same:	Not Ascertainable
	(iii) Auditors' Comments on (i) or (ii) above:	

Sayyed Hamid
Managing Director
DIN: 05167876

Sayyed Imbichi Haris Sayyed
CFO
PAN: AFUPI7620H

KAPISH Digitally signed
by KAPISH JAIN
Date:
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18:26:37 +05'30'

CA Kapish Jain
Partner
Membership No. 514162