

Price Waterhouse Chartered Accountants LLP

Independent Auditor's Report

To the Members of STL Networks Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of STL Networks Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period 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, 2022, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the period 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.

Other Information

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

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

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



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

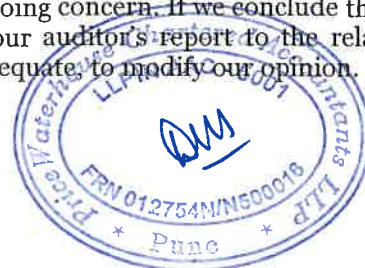
To the Members of STL Networks Limited
Report on Audit of the Financial Statements

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

5. 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.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. 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.
8. 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



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of STL Networks Limited
Report on Audit of the Financial Statements

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 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.
9. 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.

Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2020 ("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.
11. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the 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, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company was not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at March 31, 2022.



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of STL Networks Limited
Report on Audit of the Financial Statements

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended March 31, 2022.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 23 to the financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 23 to the financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the period.
12. The Company has not paid or provided for managerial remuneration during the period. Accordingly, reporting under Section 197 of the Act is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Disha Maheshwari
Partner
Membership Number: 110159
UDIN: 22110159APYIZK9662
Date: Aug 25, 2022
Place: Pune

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 11 (f) of the Independent Auditor's Report of even date to the members of STL Networks Limited on the financial statements for the period ended March 31, 2022
Page 1 of 2

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 STL Networks Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the period 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 ("the Guidance Note") 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.

Auditor's 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 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.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 11 (f) of the Independent Auditor's Report of even date to the members of STL Networks Limited on the financial statements for the period ended March 31, 2022

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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 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 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.

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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Disha Maheshwari
Partner

Membership Number: 110159

UDIN: 22110159APYIZK9662

Place: Pune

Date: Aug 25, 2022

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of STL Networks Limited on the financial statements as of and for the period ended March 31, 2022
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- i. There are no Property, Plant and Equipment (including Right of Use Asset) and Intangible Assets in the Company, hence the requirement under Clause 3(i)(a), (b), (c), (d) and (e) of the Order are not applicable to the Company and not commented upon.
- ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.

(b) During the period, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the 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 Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including income-tax and goods and services tax have not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) As the Company did not have any loans or other borrowings from any lender during the period, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority. (Also refer Note 22 to the financial statements)



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of STL Networks Limited on the financial statements for the period ended March 31, 2022

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- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
 - (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.
 - (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the period. Accordingly, the reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
 - (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the period. Accordingly, the reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the period. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the period. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) 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, noticed or reported during the period, nor have we been informed of any such case by the Management.
- (b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) 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, and as represented to us by the management, no whistle-blower complaints have been received during the period by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of STL Networks Limited on the financial statements for the period ended March 31, 2022

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- constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. (a) The internal audit of the Company is covered under the group internal audit pursuant to which an internal audit is carried out every year. In our opinion, the Company's internal audit system is commensurate with the size and nature of its business.
- (b) As there were no operations during the current period, the company has not carried out an internal audit during the period.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the period. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses of Rs. 1,48,719 in the current period. As the Company is incorporated in the current period, the reporting for the previous year does not apply to the company.
- xviii. There has been no resignation of the statutory auditors during the period and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 18 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of STL Networks Limited on the financial statements for the period ended March 31, 2022

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- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Disha Maheshwari
Partner
Membership Number: 110159
UDIN: 22110159APYIZK9662
Place: Pune
Date: Aug 25, 2022


STL NETWORKS LIMITED
BALANCE SHEET AS AT MARCH 31, 2022

	Note	31 March 2022 (Amount in Rs.)
Assets		
Current assets		
Financial assets		
(i) Cash and cash equivalents	3	451,281
Total Assets		451,281
Equity and Liabilities		
Equity		
Equity share capital	4	500,000
Other Equity	5	(148,719)
Total Equity		351,281
Current liabilities		
Financial Liabilities		
(i) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises; and	6	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	6	90,000
Other Current Liabilities	7	10,000
Total Liabilities		100,000
Total Equity and Liabilities		451,281
Summary of significant accounting policies	2	

The accompanying notes are an integral part of the financial statements.


As per our report of even date.

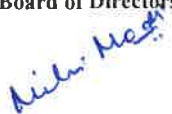
For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016


Disha Maheshwari
Partner
Membership Number: 110159

Place : Pune
Date : Aug 25, 2022

For and on behalf of the Board of Directors of
STL Networks Limited


Ankit Agarwal
Director
DIN: 03344202


Mihir Modi
Director
DIN: 03401046

Place : Pune
Date : Aug 25, 2022

STL NETWORKS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2022

	Note	From March 26, 2021 to March 31, 2022
		<u>(Amount in Rs)</u>
Income		
Revenue from operations		-
Total Income (I)		<u>-</u>
Expenses		
Other expenses	8	100,000
Total Expense (II)		<u>100,000</u>
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		(100,000)
Depreciation and amortisation expense		-
Finance costs	9	48,719
Profit/(Loss) before tax		<u>(148,719)</u>
Tax expense:		
Current tax	10	-
Deferred tax		-
Total tax expenses		<u>-</u>
Profit/(Loss) for the period		<u>(148,719)</u>
Other comprehensive income		
Other comprehensive income for the period, net of tax		-
Total comprehensive income		<u>(148,719)</u>
Earnings/(Loss) per share		
Basic and diluted	11	
Computed on the basis of profit/(loss) for the period (Rs.)		(2.97)
Summary of significant accounting policies	2	

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

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



Disha Maheshwari
 Partner
 Membership Number: 110159

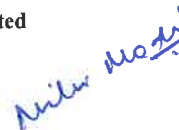
Place : Pune
 Date : Aug 25, 2022

**For and on behalf of the Board of Directors of
 STL Networks Limited**



Ankit Agarwal
 Director
 DIN: 03344202

Place : Pune
 Date : Aug 25, 2022



Mihir Modi
 Director
 DIN: 03401046

STL NETWORKS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2022

A. Equity share capital

	Note	Numbers	Amount in Rs.
Issue of share capital	4	50,000	500,000
As at 31 March 2022		50,000	500,000

B. Other equity

	Retained earnings Amount in Rs.
As at 26 March 2021	-
Loss for the period	(148,719)
As at 31 March 2022	(148,719)

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

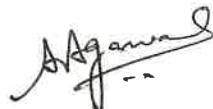
For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016



Disha Maheshwari
Partner
Membership Number: 110159

Place : Pune
Date : Aug 25, 2022

For and on behalf of the Board of Directors of
STL Networks Limited



Ankit Agarwal
Director
DIN: 03344202

Place : Pune
Date : Aug 25, 2022



Mihir Modi
Director
DIN: 03401046

STL NETWORKS LIMITED
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2022

	<u>31 March 2022</u> <u>(Amount in Rs.)</u>
A. Operating activities	
Profit/(Loss) before tax	(148,719)
Adjustments to reconcile profit before tax to net cash flows	
Finance costs	48,719
Operating profit/(loss) before working capital changes	(100,000)
Working capital adjustments:	
Increase/(Decrease) in Trade Payables	90,000
Increase/(Decrease) in Other Liabilities	10,000
Cash generated from/(used in) operations	-
Income tax paid (net of refunds)	-
Net cash generated from/(used in) operating activities (A)	-
B. Investing activities	
Net cash generated from/(used in) investing activities (B)	-
C. Financing activities	
Proceeds of issue of equity shares	500,000
Bank charges paid	(48,719)
Net cash generated from/(used in) financing activities (C)	451,281
Net increase (decrease) in cash and cash equivalents (A+B+C)	451,281
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at end of the period (Refer Note 3)	451,281
Components of cash and cash equivalents:	
	31 March 2022
Balances with banks:	
In current accounts	451,281
Total cash and cash equivalents	451,281

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

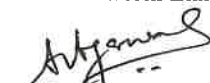
For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016



Disha Maheshwari
Partner
Membership Number: 110159

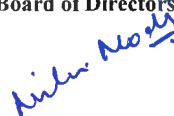
Place : Pune
Date : Aug 25, 2022

For and on behalf of the Board of Directors of
STL Networks Limited



Ankit Agarwal
Director
DIN: 03344202

Place : Pune
Date : Aug 25, 2022



Mihir Modi
Director
DIN: 03401046

DIN: 03401046

STL Networks Limited

Notes to Financial Statements for the period ended March 31, 2022

1. Corporate information

STL Networks Limited (Erstwhile “Sterlite Tech Connectivity Limited”) (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company was incorporated on 26 March 2021 and is a wholly owned subsidiary of Sterlite Technologies Limited. The registered office of the Company is located at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune -411001.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The 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] and other relevant provisions of the Act.

The Ind AS financial statements have been prepared on a historical cost basis.

Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the 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.

A liability is current when:

- It is expected to be settled in the 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.

The Company classifies all other liabilities as non-current.

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

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and services and the time between the acquisitions of assets for processing and their realisation in cash and cash equivalents, the company has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.



STL Networks Limited

Notes to Financial Statements for the period ended March 31, 2022

a) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on the basis of underlying transactions.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

b) Revenue from contracts with customers

Ind AS 115 Revenue from contracts with customers standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The five-step process that must be applied before revenue can be recognised:

- (i) identify contracts with customers
- (ii) identify the separate performance obligation
- (iii) determine the transaction price of the contract
- (iv) allocate the transaction price to each of the separate performance obligations, and
- (v) recognise the revenue as each performance obligation is satisfied.

Revenue recognition policy

The Company accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Company identifies distinct performance obligations in each contract. If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance



STL Networks Limited

Notes to Financial Statements for the period ended March 31, 2022

obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

The Company assesses for the timing of revenue recognition in case of each distinct performance obligation. The Company first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:

- (a) The customer simultaneously consumes the benefits as the Company performs, or
- (b) The customer controls the work-in-progress, or
- (c) The Company's performance does not create an asset with alternative use to the Company and the Company has right to payment for performance completed till date.

If none of the criteria above are met, the Company recognizes revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, alternative use, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

The Company estimates variable consideration using the most likely amount to which it expects to be entitled. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

c) Other Income

1. Interest income

Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in finance income in the statement of profit and loss.

2. Dividends

Dividends are recognised in profit or loss when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

d) Income Tax (Current Income tax and Deferred tax)

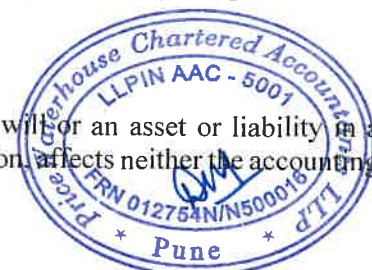
The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax is 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;



STL Networks Limited

Notes to Financial Statements for the period ended March 31, 2022

- In respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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 income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

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

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 income taxes levied by same taxation authorities on either same taxable entity or different taxable entities which intend either to settle the current tax assets and tax liabilities on a net basis or to realise the asset and settle the liability simultaneously.

e) Provisions and contingent liabilities

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, 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. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. Provisions are not recognised for future operating losses.

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 interest expense.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

f) Investments and Other Financial assets

i) Classification & Recognition:

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



STL Networks Limited

Notes to Financial Statements for the period ended March 31, 2022

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the company commit to purchase or sell the financial asset.

ii) Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

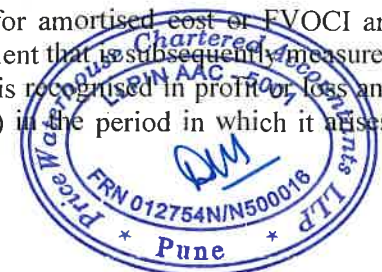
Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in statement of profit and loss using the effective interest rate method. Impairment losses are presented as a separate line item in the financial statements.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented as separate lines item in the financial statements.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.



STL Networks Limited

Notes to Financial Statements for the period ended March 31, 2022

Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;
- b) Lease receivables under Ind AS 116
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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 entity reverts to recognising impairment loss allowance based on 12-month ECL.

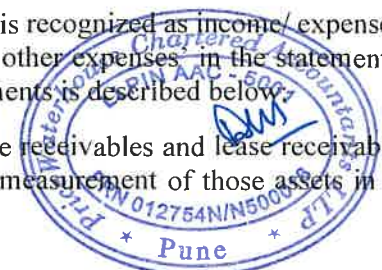
Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the



STL Networks Limited

Notes to Financial Statements for the period ended March 31, 2022

balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

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.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

iv) Derecognition of financial asset

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

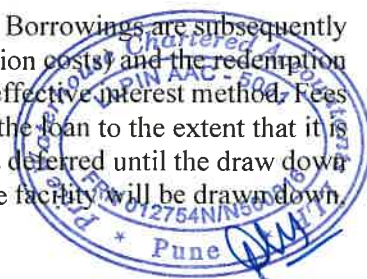
g) Financial liabilities

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 initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down,



STL Networks Limited

Notes to Financial Statements for the period ended March 31, 2022

the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

h) 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 not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

i) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consist of cash and cash equivalent, as defined above, net of outstanding bank overdrafts if they are considered an integral part of the Company's cash management.

j) Dividends

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

k) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity



STL Networks Limited

Notes to Financial Statements for the period ended March 31, 2022

shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

l) Presentation of EBITDA

The Company presents Earnings before interest, tax, depreciation and amortisation ('EBITDA') in the statement of profit or loss; this is not specifically required by Ind AS 1. The term EBITDA is not defined in Ind AS. Ind AS compliant Schedule III allows companies to present line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the company's financial position or performance.

Accordingly, the Company has elected to present 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. In its measurement, the Company does not include depreciation and amortization expense, finance income, finance costs and tax expense.

m) Trade receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless there are significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

n) Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors has been identified as being the CODM.

o) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Indian Rupee as per the requirement of Schedule III, unless otherwise stated.

Recent Accounting Pronouncements

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards and are effective 1 April 2022. These changes are applicable for the financial year commencing from 1 April 2022 thus management will evaluate disclosures required and applicable to Financial statements issued in respect of accounting years commencing on or after 1 April 2022.



STL NETWORKS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

NOTE 3: CASH AND CASH EQUIVALENTS

	31 March 2022 (Amount in Rs.)
Balances with banks:	
In current accounts	451,281
	<u>451,281</u>

NOTE 4: SHARE CAPITAL

	31 March 2022 (Amount in Rs.)
Authorised share capital	500,000
50,000 equity shares of Rs.10 each	<u>500,000</u>

Issued, subscribed and fully paid-up share capital	
50,000 equity shares of Rs.10 each fully paid up	500,000
Total issued, subscribed and fully paid-up share capital	<u>500,000</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the period:

	Numbers
Issued during the period	50,000
Outstanding as at 31 March 2022	<u>50,000</u>

b. Terms and rights attached to equity shares

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

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.

c. Shares of the Company held by Holding Company

	31 March 2022	
	Numbers	% holding
Immediate Holding Company		
Sterlite Technologies Limited	50,000	100%

d. Details of shareholders holding more than 5% of shares in The Company

	31 March 2022	
	Numbers	% holding
Sterlite Technologies Limited	50,000	100%

e. Details of shareholding of promoters:

Name of promoter	No. of shares as at 31 March 2022	% of total no. of shares as at 31 March 2022	% change during the period ended 31 March 2022
Sterlite Technologies Limited	50,000	100%	100%

'Promoters' for the purpose of this disclosure means promoters as defined under Section 2(69) of Companies Act, 2013.

NOTE 5 : OTHER EQUITY

	31 March 2022 (Amount in Rs.)
Retained earnings	
Profit/(Loss) for the period	(148,719)
Total retained earnings	<u>(148,719)</u>
Total other equity	<u>(148,719)</u>



STL NETWORKS LIMITED
 NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

NOTE 6 : TRADE PAYABLES

	31 March 2022
	(Amount in Rs.)
Total outstanding dues of creditors other than micro enterprises & small enterprises (refer note 15)	
Total outstanding dues of creditors other than micro & small enterprises:	
- Others	90,000
Total Trade Payables	90,000

Trade Payable aging

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1-2 year	2-3 year	More than 3 years		
(i) MSME - undisputed							
(ii) Others	90,000						90,000
Total	90,000	-	-	-	-	-	90,000

NOTE 7: OTHER CURRENT LIABILITIES

	31 March 2022
	(Amount in Rs.)
Current	
Withholding Taxes (TDS Payable)	10,000
Total current liabilities	10,000



STL NETWORKS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

NOTE 8: OTHER EXPENSES

	<u>31 March 2022</u> (Amount in Rs.)
Payment to Auditor (refer note below)	100,000
Total other expenses	<u>100,000</u>
Payment to Auditor	<u>31 March 2022</u> (Amount in Rs.)
As Auditor:	
Audit fees	100,000
	<u>100,000</u>

NOTE 9: FINANCE COST

	<u>31 March 2022</u> (Amount in Rs.)
Bank Charges	48,719
Total other expenses	<u>48,719</u>

NOTE 10: TAX EXPENSE

	<u>31 March 2022</u> (Amount in Rs.)
Deferred tax asset	
Total losses for the current period	(148,719)
Total losses for the current period on which deferred tax asset has not been recognised	<u>148,719</u>

In the current period, the company has not recognised deferred tax asset on carried forward losses as the company is not likely to generate taxable income in the foreseeable future. These unused tax losses can be carried forward as per the provisions of Income Tax Act, 1961.

The tax expense is computed as per the provisions of Income Tax Act, 1961. Statutory tax rate of 25.168% is applicable to the company for the financial period ended 31 March 2022. Considering loss incurred during the period and lack of probability of future recovery of losses incurred, tax expense for the period is Nil.

NOTE 11: EARNINGS/(LOSS) PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the period attributable to equity holders by the weighted average number of Equity shares outstanding during the period.

The following table shows the computation of basic EPS and diluted EPS:

	<u>31 March 2022</u> (Amount in Rs.)
Profit/(Loss) for the period	(148,719)
Weighted average number of equity shares for calculating basic and diluted EPS	50,000
Earnings/(Loss) per share	
Basic and diluted (on nominal value of Rs. 10 per share) Rupees/share	(2.97)

NOTE 12: FAIR VALUE MEASUREMENT

All the financial instruments of the Company are classified at amortised cost. The management assessed that cash and cash equivalents and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and therefore carrying value of these instruments is considered to be the same as fair value.

NOTE 13: RELATED PARTY TRANSACTIONS

A. Name of related party and nature of relationships:

Related parties where control exists:

Sterlite Technologies Limited	Immediate holding company
Twinstar Overseas Limited, Mauritius	Immediate holding company
Volcan Investments Limited, Bahamas	Ultimate holding company

Key Management Personnel (KMP)

Ankit Agarwal - Director
Badri Gomatam - Director
Mihir Modi - Director

B. Transactions with related parties during the period and their outstanding balances are as follows:

	<u>31 March 2022</u> (Amount in Rs.)
Transactions with Sterlite Technologies Limited	
Issue of equity share capital during the period	500,000
Outstanding balances	<u>500,000</u>



STL NETWORKS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

NOTE 14: FINANCIAL RISK MANAGEMENT

The Company does not have any operations. The Company's principal financial assets include cash and cash equivalents. The company is exposed to credit risk. The company's senior management oversees the management of these risks. The risk management policies of the company are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are approved and reviewed regularly by Board of Directors to reflect changes in market conditions and the Company's activities. Currently the company has adopted the risk management policies as defined by its holding company to manage risk's relevant to it's operations. Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's maximum exposure to credit risk for the components of the balance sheet of 31 March 2022 is the carrying amount of each class of financial assets.

Credit risk

The company is exposed to credit risk arising from financial assets in the nature of cash and cash equivalents. The management manages credit risk by keeping its funds with reputed financial institutions with good credit rating. The company has adopted risk management policies as defined by its holding company to manage risks relevant to its operations.

Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Company requires funds both for short term operational needs as well as for long term investment programs mainly in growth projects. The Company closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its operations, which in addition to the available cash and cash equivalents which will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 60 - 90 days. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Less than 3 months	Total
As at March 31, 2022		
Short Term Borrowings		
Trade payables	90,000	90,000
	<u>90,000</u>	<u>90,000</u>

NOTE 15: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

There are no micro enterprises and small enterprises, to whom the company owes dues, which are outstanding as at 31 March 2022. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been indentified on the basis of information available with the company.

NOTE 16: CRITICAL ESTIMATES AND JUDGEMENTS

The company presently does not have any operations and therefore no critical estimates and judgements are involved in preparation of financial statements.

NOTE 17: SEGMENT REPORTING

The company does not have any operations and therefore there are no reportable segments.



STL NETWORKS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

NOTE 18: FINANCIAL PERFORMANCE RATIOS

Particulars	31 March 2022
A. Performance Ratio	
Net profit ratio (Profit after tax and exceptional items) / (Revenue from operations)	NA
Net capital turnover ratio (Revenue from operations) / (Closing working capital)	NA
Return on capital employed (Profit before exceptional items, interest and tax) / (Closing capital employed*)	-28.47%
Return on equity ratio (Profit after exceptional items and tax) / (Average shareholder's equity)	-84.67%
Return on investment (Profit before exceptional items, interest and tax) / (total assets)	-22.16%
Debt service coverage ratio Profit before interest and tax after exceptional items/ (interest expense + principal long term loan repayment)	NA
B. Leverage Ratios	
Debt-equity ratio (Total debt) / (Total equity)	NA
C. Liquidity Ratios	
Current ratio (Current assets) / (Current liabilities)	4.51
D. Activity Ratio	
Inventory turnover ratio (Cost of goods sold) / (Closing inventory)	NA
Trade receivables turnover ratio (Revenue from operations) / (Closing current trade receivables)	NA
Trade payables turnover ratio (Cost of goods sold) / (Closing trade payable)	NA
*Closing capital employed = Tangible net worth + Gross debt + Deferred tax liability	351,281

NOTE 19: CONTINGENT LIABILITIES

There is no contingent liabilities outstanding as at the end of the year.

NOTE 20: CORPORATE SOCIAL RESPONSIBILITY

The company does not have any responsibility towards CSR as it does not meet the applicability criteria u/s 135 of Companies Act, 2013.

NOTE 21: IMPACT OF COVID-19 PANDEMIC

The outbreak of Coronavirus (COVID - 19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated the impact of pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements.

NOTE 22: WILFUL DEFAULTER CLAUSE

The company has not been declared wilful defaulter by any bank, financial institution, government or any government authority.

NOTE 23: ULTIMATE BENEFICIARY CLAUSE

The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or;
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

NOTE 24: BENAMI TRANSACTIONS (PROHIBITION) ACT, 1988

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



STL NETWORKS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2022

NOTE 26: CRYPTO CURRENCY

The Company has not traded or invested in crypto currency or virtual currency during the period.

NOTE 27: RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company does not have any transactions with companies struck-off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

NOTE 28: COMPLIANCE WITH APPROVED SCHEME OF ARRANGEMENTS

The company has not entered into any Scheme of Arrangements that are approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013

NOTE 29: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES -

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

NOTE 30: COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with number of layers prescribed under the Companies Act, 2013.


NOTE 31: PREVIOUS PERIOD FIGURES

This being the first year of the company, the financial statements have been drawn for the period 26 March 2021 (date of incorporation) to 31 March 2022 and therefore no corresponding figures for the previous period have been given in the financial statements.

The accompanying notes are an integral part of the financial statements.

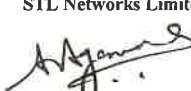

As per our report of even date.

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


Disha Maheshwari
Partner
Membership Number: 110159

Place : Pune
Date : Aug 25, 2022

For and on behalf of the Board of Directors of
STL Networks Limited

 
Ankit Agarwal **Mihir Modi**
Director Director
DIN: 03344202 DIN: 03401046

Place : Pune
Date : Aug 25, 2022