

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of STL Networks Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of STL Networks Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity (refer Note 35 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group and its jointly controlled entity as at March 31, 2025, and consolidated total comprehensive loss (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

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

### Emphasis of Matter

4. We draw attention to Note 48 to the consolidated financial statements regarding the Scheme of Arrangement (the "Scheme") between the Holding Company, Sterlite Technologies Limited ("STL") and their respective shareholders and creditors, for transfer by way of demerger the Global Services Business of STL to the Holding Company, as approved by the National Company Law Tribunal ("NCLT") vide its Order dated February 14, 2025. The Scheme has been given effect to in the consolidated financial statements from the beginning of the preceding period in accordance with Appendix C "Business combinations of entities under common control" to Ind AS 103 "Business Combinations" as prescribed in the NCLT approved Scheme. Our opinion is not modified in respect of this matter.

Price Waterhouse Chartered Accountants LLP, 7th Floor, Tower A - Wing I, Business Bay, Airport Road, Yerwada  
Pune - 411 006  
T: +91 (20) 69050570

Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, New Delhi - 110002

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 AUDITORS' REPORT  
 To the Members of STL Networks Limited  
 Report on the Consolidated Financial Statements  
 Page 2 of 11

## Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p><b>a. Revenue recognition in respect of Telecom and Information Technology (IT) network / system integration contracts</b>                      (Refer Notes 2.2(a), 2.4(a) and 23 to the Consolidated Financial Statements).                      The Group enters into contracts for Telecom and Information Technology (IT) network / system integration, which are generally long term in nature. The contract prices are generally fixed at contract inception and include elements of variable consideration such as liquidated damages.                      In respect of these contracts, the Group recognises revenue in accordance with Ind AS 115 "Revenue from Contracts with Customers". This involves application of significant judgements by Management with respect to:</p> <ul style="list-style-type: none"> <li>• Combination of contracts entered into with the same customer;</li> <li>• Identification of distinct performance obligations;</li> <li>• Total consideration when the contract involves variable consideration;</li> <li>• Allocation of consideration to identified performance obligations; and</li> <li>• Recognition of revenue over a period of time or at a point in time, based on timing when control is transferred to customer.</li> <li>• Further, for contracts where revenue is recognised over a period of time, the Group makes estimates which impact the revenue recognition. Such estimates include, but are not limited to:                             <ul style="list-style-type: none"> <li>- costs to complete,</li> <li>- contract risks, and</li> <li>- variable consideration like liquidated damages and disputes related to performance and contractual claims.</li> </ul> </li> </ul>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>- Understanding and evaluating the design and testing the operating effectiveness of key controls, specific to such customer contracts including the determination of contract price, performance obligations, estimation of contract costs, management reviews and approvals thereof.</li> <li>- Assessing the appropriateness of the revenue recognition accounting policies in line with Ind AS 115 'Revenue from Contracts with Customers'</li> <li>- For selected sample of contracts, our procedures included the following:                             <ul style="list-style-type: none"> <li>• Obtaining and examining project related documents such as contracts, customer communications and price or scope variation orders, where applicable.</li> <li>• Assessing appropriateness of management's significant judgements and estimates with respect to estimated revenue from a contract including impact on account of dispute/ delays, identification of performance obligation, allocation of consideration to identified performance obligation and costs to complete.</li> <li>• Obtaining the revenue recognition calculations, testing the mathematical accuracy of the cost to complete calculations and re-performing the calculation of revenue recognised during the year based on the percentage of completion.</li> <li>• For costs incurred to date, verifying relevant supporting documents and performing cut off procedures.</li> <li>• Evaluating the management's assessment of recoverability of variable consideration (claims on account of scope change/ price changes) by reviewing the contractual</li> </ul> </li> </ul>



# Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT  
To the Members of STL Networks Limited  
Report on the Consolidated Financial Statements  
Page 3 of 11

Key audit matter	How our audit addressed the key audit matter
<p>Recognition of contract revenue involves determination of percentage of completion of the project. The contract revenue is measured based on the proportion of contract costs incurred for work performed till date relative to the estimated total contract costs. For ongoing contracts, management re-assesses the above estimates at each reporting date taking into account expected delays in completion of the performance obligations, cost escalations and variable consideration. In case of disputes, the Group considers interpretation of contractual terms, project status, possibility of settlement, counter-claims, latest discussions, correspondence and legal opinions, wherever applicable.</p> <p>We considered this to be a key audit matter as it requires management to exercise judgement and therefore could be subject to misstatement due to fraud or error.</p>	<p>terms, customer communications and past trends, wherever considered necessary.</p> <ul style="list-style-type: none"> <li>• In case of disputes, reading of the related contract terms and communications with the customers to assess the likelihood of availability of contractual remedies including inquiring with the inhouse legal counsel regarding disputes, status of the disputed dues and reviewing and discussing the legal opinions obtained by the management with the external legal counsels, wherever considered necessary.</li> <li>- Testing of journal entries for unusual revenue transactions, if any.</li> <li>- Assessing adequacy of disclosures in the consolidated financial statements.</li> </ul>
<p><b>b. Recoverability of contract assets and trade receivables</b> (Refer Notes 2.2(e), 2.4(e), 11 and 13 to the Consolidated Financial Statements)</p> <p>The Group has trade receivables and contract assets amounting to INR 901.25 crores and INR 1,233.25 crores as at March 31, 2025, respectively.</p> <p>The Group recognises revenue from contracts for Telecom and Information Technology (IT) network / system integration over time and assesses the credit risk of each customer individually based on its assessment of the overall project status, past history, latest discussions/ correspondence with the customers, disputes and legal opinions for any indications of credit risk.</p> <p>In respect of the projects where progress is slow or are under arbitration process due to dispute with customer, the management exercises judgement in assessing recoverability of these receivables and impact of delays.</p> <p>In view of management judgement involved and considering the nature and extent of audit procedures to assess the recoverability</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Evaluating the design and testing the operating effectiveness of the key controls over the assessment of recoverability of contract assets and trade receivables.</li> <li>• Understanding and evaluating the accounting policy of the Group.</li> <li>• Understanding the reasons for aged/ overdue balances including factors like project status and contractual terms through discussions with the management and corroborating by review of correspondences with the customers and obtaining management representations where necessary.</li> <li>• Assessing the appropriateness and completeness of the assumptions used by the management in determining the expected credit loss as per the principles of Ind AS 109 "Financial Instruments" by considering credit risk of customers, cash collection, correspondences with the customers, etc.</li> <li>• Inquiring with the Group's inhouse legal counsel regarding the status of disputes and disputed dues and perusing the external legal</li> </ul>



# Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT  
 To the Members of STL Networks Limited  
 Report on the Consolidated Financial Statements  
 Page 4 of 11

Key audit matter	How our audit addressed the key audit matter
<p>of receivables, we have determined this to be a key audit matter.</p>	<p>opinions wherever obtained by the management.</p> <ul style="list-style-type: none"> <li>Assessing adequacy of the disclosures in the consolidated financial statements.</li> </ul>
<p><b>c. Impairment assessment of the carrying value of Goodwill and other intangible assets in UK Region</b></p> <p>(Refer Notes 2.2(i), 2.4(c), 5 and 6 to the Consolidated Financial Statements)</p> <p>The business in the UK region have incurred losses during the year and also in earlier years. The carrying value of goodwill and other intangible assets in UK Region as at March 31, 2025, amounted to INR 70.43 crores and INR 28.14 crores, respectively.</p> <p>The Group assesses the carrying amount of goodwill and other intangible assets of UK region at least annually as part of goodwill impairment testing or when events occur which indicate that the recoverable amount of the Cash Generating Unit ("CGU") is less than its carrying amount. The impairment analysis is performed by making an estimate of recoverable amount, being the higher of fair value less costs to sell and value in use.</p> <p>The Management has estimated the recoverable value based on the value in use approach determined using discounted cash flow model requiring judgements with certain key inputs like future cashflows, discount rates, terminal growth rate, economic factors etc. incorporated in the valuation.</p> <p>We have considered the impairment assessment of the carrying value of goodwill and other intangible assets to be a key audit matter as it requires exercise of significant judgement by the management.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>Understanding and evaluating the design and testing the operating effectiveness of the key controls in relation to impairment assessment of the carrying value of Goodwill and other intangible assets in the UK region.</li> <li>Evaluating the cash flow forecasts by comparing them to budgets, actual results and our understanding of internal and external factors.</li> <li>Testing the mathematical accuracy of the underlying calculations.</li> <li>Assessing the Group's sensitivity analysis and evaluating whether any reasonably foreseeable change in assumptions could lead to impairment.</li> <li>With the involvement of auditor's experts where necessary, assessing appropriateness of the valuation methodology used and evaluating the reasonableness of the key assumptions used in determination of discounted cash flows such as discount rates, terminal growth rate, sales growth rate, EBITDA, etc.; and</li> <li>Assessing the adequacy of disclosures in the consolidated financial statements.</li> </ul>
<p><b>d. Assessment of recoverability of deferred tax assets of Sterlite Technologies UK Ventures Limited, Clearcomm Group Limited and STL UK Holdco limited</b></p> <p>(Refer Notes 2.3 (a), 2.4 (d) and 10 to the Consolidated Financial Statements)</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>Understanding and evaluating the design and testing the operating effectiveness of the key controls in relation to the recoverability assessment of deferred tax assets on carried forward business losses and other temporary differences.</li> </ul>



# Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT  
 To the Members of STL Networks Limited  
 Report on the Consolidated Financial Statements  
 Page 5 of 11

Key audit matter	How our audit addressed the key audit matter
<p>The carrying value of deferred tax assets on carried forward business losses and other temporary differences relating to Sterlite Technologies UK Ventures Limited, Clearcomm Group Limited and STL UK Holdco limited as at March 31, 2025, aggregated to INR 53.82 crores in the consolidated financial statements.</p> <p>The Group assesses its ability to recover such deferred tax assets at the end of each reporting period, which is based on an assessment of the probability that future taxable income will be available against which such deferred tax assets can be realised.</p> <p>As per the assessment done by the Group, it expects that these entities will be able to generate sufficient taxable profits in subsequent years, which will enable them to utilise their carried forward business losses and other temporary differences as per the local tax regulations.</p> <p>We have considered the recoverability assessment of the aforesaid deferred tax assets to be a key audit matter as the preparation of projected future taxable income considering the future business plan and underlying assumptions requires exercise of significant judgement by the management.</p>	<ul style="list-style-type: none"> <li>• Assessing the appropriateness of the Group's accounting policy in respect of recognising deferred tax assets on carried forward business losses and other temporary differences.</li> <li>• Evaluating the cash flow forecasts by comparing them to budgets, actual results and understanding of internal and external factors.</li> <li>• Reading the audit report issued by other auditors, discussing their assessment regarding recoverability of deferred tax assets and evaluating their work supporting the audit evidence obtained by them.</li> <li>• Testing the mathematical accuracy of the underlying calculations.</li> <li>• Performing sensitivity analysis over key assumptions and evaluating whether any reasonably foreseeable change in assumptions could impact the recoverability.</li> <li>• Assessing the adequacy of disclosures in the consolidated financial statements.</li> </ul>

## Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available 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.
- When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of STL Networks Limited

Report on the Consolidated Financial Statements

Page 6 of 11

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its jointly controlled entity 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for assessing the ability of the Group and of its jointly controlled entity 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 Group or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for overseeing the financial reporting process of the Group and of its jointly controlled entity.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 consolidated financial statements.
11. 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 consolidated 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.

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of STL Networks Limited

Report on the Consolidated Financial Statements

Page 7 of 11

- 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 Holding Company has adequate internal financial controls with reference to consolidated 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 ability of the Group and its jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Group and its jointly controlled entity to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance of the Holding Company 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of STL Networks Limited

Report on the Consolidated Financial Statements

Page 8 of 11

### Other Matter

15. The comparative financial information for the prior year ended March 31, 2024, has been furnished by the management of the Holding Company and is neither audited nor reviewed by us. As stated in Note 48 to the consolidated financial statements, the Holding Company was not required to prepare consolidated financial statements up to the year ended March 31, 2024 as it did not have any subsidiaries, associates or joint ventures, and the year ended March 31, 2025 is the first year in which consolidated financial statements are prepared by the Holding Company. Our opinion is not modified in respect of this matter.
16. The standalone financial statements of two subsidiaries located outside India, reflect total assets of INR 157.44 crores and net assets of INR (213.97) crores as at March 31, 2025, total revenue of INR 120.98 crores, total comprehensive loss (comprising of loss and other comprehensive income) of INR 41.98 crores and net cash inflows amounting to INR 2.87 crores for the year ended on that date, as considered in the consolidated financial statements. The financial statements of these subsidiaries have been prepared under accounting principles generally accepted in India and have been audited by other auditors under generally accepted auditing standards who have furnished their reports to us, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based on the reports of the other auditors and the procedures performed by us.
17. We did not audit the financial statements of one subsidiary located outside India whose financial statements reflect total assets of INR 139.69 crores and net assets of INR (2.23) crores as at March 31, 2025, total revenue of INR Nil, total comprehensive loss (comprising of loss and other comprehensive income) of INR 6.73 crores and net cash inflows amounting to INR 2.05 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive loss (comprising of loss and other comprehensive income) of INR Nil for the year ended March 31, 2025 as considered in the consolidated financial statements, in respect of one jointly controlled entity located outside India whose financial statements have not been audited by us. The financial statements of the subsidiary and jointly controlled entity are unaudited and have been furnished to us by the management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and jointly controlled entity located outside India, and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiary and jointly controlled entity, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors and the financial statements certified by the management.



# Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT  
To the Members of STL Networks Limited  
Report on the Consolidated Financial Statements  
Page 9 of 11

## Report on Other Legal and Regulatory Requirements

18. This report does not contain a statement on the matter specified in paragraph 3(xxi) of 'the Companies (Auditor's Report) Order, 2020' ("CARO 2020") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act as, in our opinion, and according to the information and explanations given to us, there are no qualifications or adverse remarks included in the CARO 2020 report issued in respect of the standalone financial statements of the Holding Company which is included in these Consolidated Financial Statements. Further, according to the information and explanations given to us, CARO 2020 is not applicable to any of the other companies included in these Consolidated Financial Statements.
19. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis by the Holding Company on servers physically located in India during the year and for the matters stated in paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 19(b) above.
  - (g) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
  - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of STL Networks Limited

Report on the Consolidated Financial Statements

Page 10 of 11

- i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its jointly controlled entity – Refer Note 38 to the consolidated financial statements.
- ii. The Group was not required to recognise a provision as at March 31, 2025 under the applicable law or accounting standards, as it did not have any material foreseeable losses on long-term contract. The Group did not have any derivative contracts as at March 31, 2025.
- iii. During the year ended March 31, 2025, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.
- iv. (a) The management of the Holding Company have represented to us that, to the best of their knowledge and belief, as disclosed in Note 8 to the consolidated financial statements, 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 Holding Company to or in any other persons or entities, 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 Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
  
(b) The management of the Holding Company have represented to us that, to the best of their knowledge and belief, as disclosed in the Note 17 to the consolidated financial statements, no funds have been received by the Holding Company from any persons or entities including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding 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.  
  
(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The Holding Company have not declared or paid any dividend during the year.
- vi. Based on our examination, which included test checks, the Holding Company has used multiple accounting softwares (including the softwares maintained by Sterlite Technologies Limited for recording transactions pertaining to Global Services Business transferred to the Holding Company pursuant to Scheme of Arrangement referred in Note 48 to the consolidated financial statements) for maintaining its books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except for:
  - (a) in respect of the core accounting software, the audit trail feature is not maintained in case of modification by certain users with specific access at application level and also, in case for direct database changes;



# Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT  
To the Members of STL Networks Limited  
Report on the Consolidated Financial Statements  
Page 11 of 11

(b) another accounting software did not have the feature of recording audit trail.

During the course of performing our procedures, other than the aforesaid instances of audit trail not maintained where the question of our commenting does not arise, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail, to the extent maintained in the prior year, has been preserved by the Holding Company as per the statutory requirements for record retention.

20. The Holding Company has not paid any remuneration to its directors during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Holding Company.

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



Sachin Parekh  
Partner  
Membership Number: 107038  
UDIN: 25107038BMOZGW7030  
Place: Mumbai  
Date: June 30, 2025

# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 19(g) of the Independent Auditors' Report of even date to the members of STL Networks Limited on the consolidated financial statements as of and for the year ended March 31, 2025  
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. In conjunction with our audit of the consolidated financial statements of the Holding Company as of and for the year ended March 31, 2025 we have audited the internal financial controls with reference to financial statements of STL Networks Limited (hereinafter referred to as "the Holding Company") as of that date. There are no subsidiaries and jointly controlled entity incorporated in India.

### Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Holding Company, is responsible for establishing and maintaining internal financial controls based on 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 the respective 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 Holding Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, 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 Holding Company's internal financial controls system with reference to financial statements.



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditors' Report

Referred to in paragraph 19(g) of the Independent Auditors' Report of even date to the members of STL Networks Limited on the consolidated financial statements as of and for the year ended March 31, 2025  
Page 2 of 2

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

6. A company's internal financial control 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 control 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 control 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 Holding Company, have, 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, 2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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



Sachin Parekh  
Partner  
Membership Number: 107038  
UDIN: 25107038BMOZGW7030  
Place: Mumbai  
Date: June 30, 2025

**STL NETWORKS LIMITED**  
**Consolidated Balance Sheet as at March 31, 2025**  
**CIN : U72900PN2021PLC199875**  
(All amounts are in ₹ crores, unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024 (Unaudited)
<b>Assets</b>			
<b>I Non-current assets</b>			
Property, plant and equipment	3	11.61	17.56
Right-of-use assets	4	12.36	14.58
Goodwill	5,6	70.43	66.95
Other Intangible assets	5	28.92	33.59
Financial assets			
(i) Investment	7	-	0.22
(ii) Loans	8	-	2.58
(iii) Other financial assets	9	2.12	2.96
Deferred tax assets (net)	10	89.80	86.61
Income tax assets (net)	10B	6.21	-
Other non-current assets	11	68.13	80.56
<b>Total non-current assets</b>		<b>289.58</b>	<b>305.61</b>
<b>II Current assets</b>			
Inventories	12	42.02	46.28
Financial assets			
(i) Trade receivables	13	901.25	845.84
(ii) Cash and cash equivalents	14	212.13	57.13
(iii) Other financial assets	9	9.59	32.92
Contract assets	11	1,233.25	1,436.72
Other current assets	11	104.83	103.88
<b>Total current assets</b>		<b>2,503.07</b>	<b>2,522.77</b>
<b>Total assets</b>		<b>2,792.65</b>	<b>2,828.38</b>
<b>Equity and Liabilities</b>			
<b>I Equity</b>			
Equity share capital (including equity share capital suspense account)	15	97.58	97.58
Other equity	16	810.14	840.04
<b>Total Equity</b>		<b>907.72</b>	<b>937.62</b>
<b>Liabilities</b>			
<b>II Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	17	76.66	109.41
(ii) Lease liabilities	4	13.35	14.98
Employee benefit obligations	22	2.08	3.36
Deferred tax liabilities (net)	10	7.01	8.20
<b>Total non-current liabilities</b>		<b>99.10</b>	<b>135.95</b>



**STL NETWORKS LIMITED**  
**Consolidated Balance Sheet as at March 31, 2025**  
**CIN : U72900PN2021PLC199875**  
 (All amounts are in ₹ crores, unless otherwise stated)

Particulars	Notes	As at March 31, 2025	As at March 31, 2024 (Unaudited)
<b>III Current liabilities</b>			
Financial liabilities			
(i) Borrowings	17	739.15	298.93
(ii) Lease liabilities	4	3.30	3.78
(iii) Trade payables	19		
(a) total outstanding dues of micro and small enterprises		94.51	93.55
(b) total outstanding dues other than (iii)(a) above		822.57	1,201.20
(iv) Other financial liabilities	18	24.65	22.24
Contract liabilities	20	81.42	123.07
Other current liabilities	21	13.54	5.17
Income tax liabilities (net)	10B	0.22	0.22
Employee benefit obligations	22	6.47	6.65
<b>Total current liabilities</b>		<b>1,785.83</b>	<b>1,754.81</b>
<b>Total liabilities</b>		<b>1,884.93</b>	<b>1,890.76</b>
<b>Total equity and liabilities</b>		<b>2,792.65</b>	<b>2,828.38</b>

Summary of material accounting policies

2

The accompanying notes are an integral part of the Consolidated Financial Statements  
 As per our report of even date

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


**For and on behalf of the board of directors of  
 STL Networks Limited**



**Sachin Parekh**  
 Partner  
 Membership Number : 107038



**Ankit Agarwal**  
 Vice Chairman &  
 Non Executive Director  
 DIN : 03344202



**Pankaj Malik**  
 CEO and Whole  
 Time Director  
 DIN : 10949402

Place: Mumbai  
 Date: June 30, 2025

Place: London, United Kingdom  
 Date: June 11, 2025

Place: Gurugram  
 Date: June 11, 2025



**Gopal Rastogi**  
 Chief Financial Officer



**Meenal Bansal**  
 Company Secretary  
 M.No: 35091

Place: Gurugram  
 Date: June 11, 2025

Place: Gurugram  
 Date: June 11, 2025



**STL NETWORKS LIMITED**

Consolidated Statement of Profit and Loss for the year ended March 31, 2025

CIN : U72900PN2021PLC199875

(All amounts are in ₹ crores, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
Revenue from operations	23	1,179.72	1,474.52
Other income	24	6.91	1.42
<b>Total income (I)</b>		<b>1,186.63</b>	<b>1,475.94</b>
<b>Expenses</b>			
Cost of components and bought-outs consumed		385.64	441.32
Other direct costs	25	478.83	644.55
Employee benefits expense	26	172.63	223.00
Other expenses	27	68.82	66.34
<b>Total expenses (II)</b>		<b>1,105.92</b>	<b>1,375.21</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b> (III = I - II)		<b>80.71</b>	<b>100.73</b>
Depreciation and amortisation expense	29	14.86	20.78
Finance costs	30	88.71	76.70
<b>Profit/ (Loss) before tax and share of net profit/(loss) of investment accounted using equity method (IV)</b>		<b>(22.86)</b>	<b>3.25</b>
Share of net profit/(loss) in jointly controlled entity		-	-
<b>Profit/ (Loss) before tax (V)</b>		<b>(22.86)</b>	<b>3.25</b>
<b>Income tax expense/(credit):</b>			
Current tax	31	14.50	29.02
Deferred tax		(5.41)	(32.80)
<b>Total Income tax expense/(credit) (VI)</b>		<b>9.09</b>	<b>(3.78)</b>
<b>Profit / (Loss) for the year (VII = V - VI)</b>		<b>(31.95)</b>	<b>7.03</b>
<b>Other comprehensive income / (loss)</b>			
<b>Items that may be reclassified to profit or loss in subsequent years:</b>			
Exchange gain/ (loss) on translation of financial statements of foreign operations		3.93	(7.58)
Income tax effect on the above		(3.63)	1.91
<b>Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent years</b>		<b>0.30</b>	<b>(5.67)</b>
<b>Items that will not be reclassified to profit or loss in subsequent years:</b>			
Remeasurements gain / (loss) of defined employee benefits plans		0.61	(0.87)
Income tax effect on the above		(0.15)	0.22
<b>Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent years</b>		<b>0.46</b>	<b>(0.65)</b>
<b>Other comprehensive income/ (loss) for the year, net of tax (VIII)</b>		<b>0.76</b>	<b>(6.32)</b>
<b>Total comprehensive income / (loss) for the year (VII + VIII)</b>		<b>(31.19)</b>	<b>0.71</b>



**STL NETWORKS LIMITED**  
**Consolidated Statement of Profit and Loss for the year ended March 31, 2025**  
**CIN : U72900PN2021PLC199875**  
 (All amounts are in ₹ crores, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
<b>Profit/(loss) for the year attributable to:</b>			
Owners of the Parent		(31.95)	13.48
Non-controlling interests		-	(6.45)
<b>Other comprehensive income/(loss) attributable to:</b>			
Owners of the Parent		0.76	(6.32)
Non-controlling interests		-	-
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Parent		(31.19)	7.16
Non-controlling interests		-	(6.45)
<b>Earnings per equity share to owner of the Parent (Amount in ₹) (Face value ₹ 2.00 per share)</b>			
Basic earnings per share (₹)	34	(0.65)	0.28
Diluted earnings per share (₹)	34	(0.65)	0.28

Summary of material accounting policies 2  
 The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date

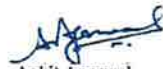
For Price Waterhouse Chartered Accountants LLP  
 Firm Registration number : 012754N/N500016



Sachin Parekh  
 Partner  
 Membership Number : 107038

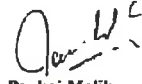
Place: Mumbai  
 Date: June 30, 2025

For and on behalf of the board of directors of  
 STL Networks Limited



Ankit Agarwal  
 Vice Chairman &  
 Non Executive Director  
 DIN : 03344202

Place: London, United Kingdom  
 Date: June 11, 2025



Pankaj Malik  
 CEO and Whole Time  
 Director  
 DIN : 10949402

Place: Gurugram  
 Date: June 11, 2025



Gopal Rastogi  
 Chief Financial Officer

Place: Gurugram  
 Date: June 11, 2025



Meenal Bansal  
 Company Secretary  
 M.No: 35091

Place: Gurugram  
 Date: June 11, 2025



**STL NETWORKS LIMITED**

Consolidated Statement of Cash Flows for the year ended March 31, 2025

CIN : U72900PN2021PLC199875

(All amounts are in ₹ crores, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
<b>Cash flow from operating activities</b>		
Profit/ (loss) before tax	(22.86)	3.25
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and Amortization expenses	14.86	20.78
Employee share based payment expenses	1.29	1.94
Finance costs (including interest pertaining to Ind AS 116)	88.71	76.70
Profit on sale of assets	(0.75)	(0.61)
Provisions no longer required written back	(5.86)	-
<b>Operating profit before working capital changes</b>	<b>75.39</b>	<b>102.06</b>
<b>Working capital adjustments:</b>		
Increase/(decrease) in trade payables	(373.25)	136.84
Increase/(decrease) in provisions	(0.85)	1.47
Increase/(decrease) in other liabilities	8.86	(23.96)
Increase/(decrease) in other financial liabilities	(7.75)	(2.55)
Increase/(decrease) in contract liabilities	(41.65)	(21.93)
Decrease/(increase) in trade receivables	(57.31)	(31.28)
Decrease/(increase) in inventories	4.02	5.34
Decrease/(increase) in other financial assets	24.02	8.63
Decrease/(increase) in contract assets	202.23	206.05
Decrease/(increase) in other assets	11.24	40.55
<b>Change in working capital</b>	<b>(230.44)</b>	<b>319.16</b>
<b>Cash generated from / (used in) operations</b>	<b>(155.05)</b>	<b>421.22</b>
Income tax paid (net of refunds)	(20.71)	(28.80)
<b>Net cash inflow / (outflow) from operating activities (A)</b>	<b>(175.76)</b>	<b>392.42</b>
<b>B. Investing activities*</b>		
Purchase of property, plant and equipment and Intangible assets	(0.58)	(1.19)
Proceeds from sale of property, plant and equipment	0.77	0.06
Proceeds from loan given	(1.51)	10.11
<b>Net cash inflow / (outflow) from investing activities (B)</b>	<b>(1.32)</b>	<b>8.98</b>
<b>C. Financing activities*</b>		
Proceeds from/(Repayments of) of long- term borrowings	(47.02)	(16.94)
Proceeds from/(Repayments of) short - term borrowings (net)	459.24	(306.03)
Interest paid (including interest pertaining to Ind AS 116)	(77.83)	(72.21)
Principal elements of lease payments	(1.94)	(1.22)
<b>Net cash inflow/(outflow) from financing activities (C)</b>	<b>332.45</b>	<b>(396.40)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>155.37</b>	<b>5.00</b>
Cash and cash equivalents as at the beginning of the year (refer note 14)	57.13	0.05
Add: Takenover pursuant to scheme of arrangement (refer note 48)	-	52.09
Foreign exchange relating to cash and cash equivalents of Foreign operations	(0.37)	(0.01)
<b>Cash and cash equivalents as at the year end (refer note 14)</b>	<b>212.13</b>	<b>57.13</b>



**STL NETWORKS LIMITED**  
**Consolidated Statement of Cash Flows for the year ended March 31, 2025**  
 CTIN : U72900PN2021PLC199875  
 (All amounts are in ₹ crores, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
<b>Components of cash and cash equivalents:</b>		
Balances with banks	212.13	57.13
<b>Total cash and cash equivalents</b>	<b>212.13</b>	<b>57.13</b>

**Note :**

- i) Non-cash financing and investing activities during the period pertain to acquisition of right to use assets of ₹ 2.09 (March 31, 2024: ₹ Nil)  
 ii) The Consolidated Statement of Cash Flows is prepared as per Indirect Method, in accordance with Indian Accounting Standard (Ind AS) 7, 'Statement of Cash Flows'

The accompanying notes are an integral part of the Consolidated Financial Statements  
 As per our report of even date

**For Price Waterhouse Chartered Accountants LLP**  
 Firm Registration number : 012754N/NS00016



**Sachin Parekh**  
 Partner  
 Membership Number : 107038

Place: Mumbai  
 Date: June 30, 2025

**For and on behalf of the board of directors of  
 STL Networks Limited**



**Ankit Agarwal**  
 Vice Chairman &  
 Non Executive Director  
 DIN : 03344202

Place: London, United Kingdom  
 Date: June 11, 2025



**Pankaj Malik**  
 CEO and Whole Time  
 Director  
 DIN : 10949402

Place: Gurugram  
 Date: June 11, 2025



**Gopal Rastogi**  
 Chief Financial Officer

Place: Gurugram  
 Date: June 11, 2025



**Meenal Bansal**  
 Company Secretary  
 M.No: 35091

Place: Gurugram  
 Date: June 11, 2025



**STL NETWORKS LIMITED**

Consolidated Statement of changes in equity for the year ended March 31, 2025

CIN : U72900PN2021PLC199875

(All amounts are in ₹ crores, unless otherwise stated)

**A. Equity share capital**

	Note No.	Amount
As at April 01, 2023		0.10
Equity Shares pending allotment as per Scheme of arrangement (refer note 48) (Equity Share Capital Suspense Account)	15	97.98
Cancellation of equity shares pursuant to scheme of arrangement (refer note 48)	15	(0.10)
As at March 31, 2024 (Unaudited)		97.98
Changes in equity share capital	15	-
As at March 31, 2025		97.98

**B. OTHER EQUITY**

Particulars	Capital Contribution by Parent	Reserves and surplus		Exchange difference on translation of financial statements of foreign operations	Total	Non Controlling interest
		Capital reserve (refer note 48)	Retained Earnings			
<b>As at April 01, 2023</b>			(0.02)		(0.02)	-
Pursuant to scheme of arrangement (refer note 48)	-	332.48	-	0.80	833.28	4.13
Profit / (loss) for the year	-	-	13.48	-	13.48	(6.45)
Other comprehensive income / (loss) for the year	-	-	-	-	-	-
- Remeasurements gain/(loss) on defined employee benefits plans (net of tax)	-	-	(0.65)	-	(0.65)	-
- Exchange gain/ (loss) on translation of financial statements of foreign operations (net of tax)	-	-	-	(5.67)	(5.67)	-
<b>Total comprehensive income / (loss) for the year</b>	-	<b>832.48</b>	<b>12.83</b>	<b>(4.87)</b>	<b>840.44</b>	<b>(2.32)</b>
Transaction with non-controlling interest (refer note 50)	-	-	(2.32)	-	(2.32)	2.32
Employees share based payment expense for the year	1.94	-	-	-	1.94	-
<b>As at March 31, 2024 (Unaudited)</b>	<b>1.94</b>	<b>832.48</b>	<b>10.49</b>	<b>(4.87)</b>	<b>840.04</b>	<b>-</b>
Profit / (loss) for the year	-	-	(31.95)	-	(31.95)	-
Other comprehensive income / (loss) for the year	-	-	-	-	-	-
- Remeasurements gain/(loss) on defined employee benefits plans (net of tax)	-	-	0.46	-	0.46	-
- Exchange gain/ (loss) on translation of financial statements of foreign operations (net of tax)	-	-	-	0.30	0.30	-
<b>Total comprehensive income / (loss) for the year</b>	-	-	<b>(31.49)</b>	<b>0.30</b>	<b>(31.19)</b>	<b>-</b>
Employees share based payment expense for the year	1.29	-	-	-	1.29	-
<b>As at March 31, 2025</b>	<b>3.23</b>	<b>832.48</b>	<b>(21.00)</b>	<b>(4.57)</b>	<b>810.14</b>	<b>-</b>

The accompanying notes are an integral part of the Consolidated Financial Statements  
As per our report of even date

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

For and on behalf of the board of directors of  
STL Networks Limited



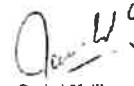
Sachin Parekh  
Partner  
Membership Number 107038

Place: Mumbai  
Date: June 30, 2025



Ankit Agarwal  
Vice Chairman &  
Non Executive Director  
DIN : 03344202

Place: London, United Kingdom  
Date: June 11, 2025



Pankaj Malik  
CEO and Whole Time  
Director  
DIN : 10949402

Place: Gurugram  
Date: June 11, 2025



Gopal Rastogi  
Chief Financial Officer

Place: Gurugram  
Date: June 11, 2025



Meenal Bansal  
Company Secretary  
M.No: 35091

Place: Gurugram  
Date: June 11, 2025



## STL Networks Limited

Notes to consolidated financial statements for the year ended March 31, 2025

### 1. Corporate information:

The consolidated financial statements comprise financial statements of STL Networks Limited (the Parent Company), its subsidiaries (collectively, the Group) and its jointly controlled entity for the year ended March 31, 2025. The Parent Company is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered office of the Parent Company is located at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra- 411001, India.

The Group is a leading technology services organization, mainly involved in providing comprehensive solutions across fiber network services, system integration, IT infrastructure management, setting up of data center operations, Network Operations Center (NOC) and Security Operations Center (SOC)s.

These consolidated financial statements for the year ended March 31, 2025, have been approved for issue by the Board of Directors of the Group. Also refer note 48 to these consolidated financial statements.

### 2. Basis of preparation and summary of material and other accounting policies

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

#### 2.1 Basis of preparation

The consolidated 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 consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities measured at fair value
- Share Based Payments
- Defined benefit plans - plan assets measured at fair value

The consolidated financial statements are presented in Indian Rupees (₹) in Crores (rounded off to nearest decimals), except when otherwise indicated.

The consolidated financial statements of the Group are prepared on going concern basis considering the future financial projections. Also, Sterlite Technologies Limited (the Demerged Company) has confirmed to provide continued support in respect of the working capital limits and loans being transferred to the Group as per the Scheme referred to in Note 48 to these consolidated financial statements to maintain the Group's operational continuity till the time sufficient sanctioned borrowing limits are set up. If need arises, Sterlite Technologies Limited will also provide loans / corporate guarantee to the Group within the limits as approved by its Board of Directors.

#### **Principles of consolidation and equity accounting**

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights;
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.



## STL Networks Limited

Notes to consolidated financial statements for the year ended March 31, 2025

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group.

### Consolidation procedure:-

Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how goodwill is accounted.

Eliminate in full intragroup assets and liabilities, equity, income, expenses relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The Group's investment in its jointly controlled entity is accounted for using the equity method. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income.

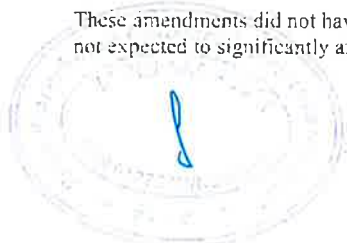
Dividends received or receivable from jointly controlled entity are recognised as a reduction in the carrying amount of the investment.

### New and amended standards adopted by the Group

The Ministry of Corporate Affairs vide notification dated 9 September 2024 and 28 September 2024 notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024 and Companies (Indian Accounting Standards) Third Amendment Rules, 2024, respectively, which amended/ notified certain accounting standards (see below), and are effective for annual reporting periods beginning on or after 1 April 2024:

- Insurance contracts - Ind AS 117; and
- Lease Liability in Sale and Leaseback – Amendments to Ind AS 116

These amendments did not have any material impact on the amounts recognised in current and prior periods and are not expected to significantly affect the future periods.



## STL Networks Limited

Notes to consolidated financial statements for the year ended March 31, 2025

### Current versus non-current classification

Assets and liabilities other than those relating to long-term contracts are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

In case of long-term contracts, operating cycle of the Group exceeds one year covering the duration of the contract including the defect liability period. The time between acquisition of assets for processing and realisation of the entire proceeds (including retention monies) under these contracts in cash or cash equivalent exceeds one year. Accordingly, for classification of assets and liabilities related to such contracts as current, duration (including defect liability period) of each contract is considered as its operating cycle.

### 2.2 Summary of material accounting policies

#### a) Revenue from contracts with customers

The Group has following streams of revenue:

- Revenue from telecom and information technology (IT) networks / systems integration contracts
- Revenue from operations and maintenance services contract

The Group 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 Group identifies distinct performance obligations in each contract. For most of the telecom and information technology (IT) networks / systems integration contracts with the Group to provide a significant service of integrating a complex set of tasks and components into a single project or capability. Hence, the entire contract is accounted for as one performance obligation.

However, the Group may promise to provide distinct goods or services within a contract, for example when a contract covers multiple promises (e.g., design and construction of network with its maintenance and support), in which case the Group separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Group allocates the total transaction price to each performance obligation based on the relative consolidated selling price of each distinct service promised in the contract. Where consolidated selling price is not observable, the Group uses the expected cost-plus margin approach to allocate the transaction price to each distinct performance obligation. In case of cost to obtain a contract, the same is determined as per the terms of contract with the customer and is amortised on a systematic basis that is consistent with the transfer to the customer of the goods and services.

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

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

If none of the criteria above are met, the Group 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 Group also considers its present right to payment, 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 Group uses input method to measure the progress for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the input method measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Revenue in respect of operation and maintenance contracts is recognized on a time proportion basis.



## STL Networks Limited

Notes to consolidated financial statements for the year ended March 31, 2025

Due to the nature of the work required to be performed on performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for network integration project contracts to contain liquidated damages on delay in completion/performance, bonus on early completion, or other provisions that can either increase or decrease the transaction price. These variable amounts generally are awarded upon achievement of certain performance metrics, program milestones or cost targets and may be based upon customer discretion.

The Group estimates variable consideration using the most likely amount to which it expects to be entitled. The Group 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 customer disputes or disagreement on scope, quality of work and deductions for delays are factored in the estimate of variable consideration and updated as and when new information arises. 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.

Contracts are modified to account for changes in contract specifications and requirements. The Group considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

When estimates of total costs to be incurred exceed total estimates of revenue to be earned on a performance obligation related to a contract, a provision for the entire loss on the performance obligation is recognized in the period.

For fixed price contracts, the customer pays the fixed amount based on the payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payment exceeds the services rendered, a contract liability is recognised.

All the qualitative and quantitative information related to significant changes in contract asset and contract liability balances such as impairment of contract asset, changes in the timeframe for a performance obligation to be satisfied are disclosed by the Group at every reporting period.

### Financing components:

The Group assesses each contract with customers to determine whether a significant financing component exists in the transaction price. If the timing of payments agreed upon provides the customer with a significant benefit of financing, the transaction price is adjusted to reflect the time value of money using an appropriate discount rate at contract inception. Interest income arising from such adjustments is recognized separately from revenue over the financing period using the effective interest method. As a practical expedient, the group does not adjust the transaction price for financing components where the period between the transfer of goods or services and payment is expected to be one year or less.

For contracts where performance obligation(s) are not satisfied over time, revenue is recognized at a point in time when control is transferred to the customer - based on right to payment, alternative use of goods, delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

### b) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are capitalized only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred.

Depreciation is charged on a straight-line basis over the estimated useful lives of the assets, as determined based on management's assessment and in accordance with applicable regulations. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Table below provide the details of the useful lives which are different from useful lives prescribed under Schedule II of the Companies Act, 2013.



## STL Networks Limited

Notes to consolidated financial statements for the year ended March 31, 2025

Asset Category	Useful life considered	Useful life (Schedule II)
Plant and Machinery	5 to 15 years	15 Years
Furniture and fixtures	3 to 10 years	10 Years
Data processing equipments	2 to 5 years	Servers and Networks - 6 Years & Desktops ,Laptops etc. – 3 Years
Office equipments	2 to 5 Years	5 Years
Electric fittings	3 to 10 Years	10 Years
Vehicles	5 Years	8 Years

Refer note (a) under 2.3 for the other relevant accounting policies.

### c) Intangible Assets

Intangible assets with finite lives are amortised over their useful economic lives on a straightline basis as mentioned in table below. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Asset Category	Useful life considered
Software	8-10 years
Non - Compete	4.5 years
Customer relationships	10 years

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss

Refer note (k) under 2.3 for the other relevant accounting policies.

### d) Leases

#### As a Lessee:

The Group leases mainly office premises. Rental contracts are typically made for fixed periods of more than 5 year to 9 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the principal (liability) and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets might not be used as security for borrowing purposes.

For the leases term determination, the following factors are normally the most relevant:

- If there is significant penalty payments to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate). If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate)
- Otherwise, the Company considers the other factors including historical lease duration and the costs and business disruption required to replace the leased asset

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.



## STL Networks Limited

Notes to consolidated financial statements for the year ended March 31, 2025

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension and termination options are included in property and equipment leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts. Most of the extension and termination options held are exercisable only by the Group and not by the respective lessor.

Refer note (c) under 2.3 for the other relevant accounting policies.

e) **Impairment of non-financial assets**

The group tests Goodwill for impairment on annual basis. Further, non-financial assets (and also Goodwill) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

f) **Investments and Other Financial assets**

➤ **Classification & Recognition:**

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

- i) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- ii) 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 Group 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 Group reclassifies debt investments when and only when its business model for managing those assets changes.

➤ **Measurement:**

At initial recognition, the Group measures a financial asset (excluding trade receivables which do not contain a significant financing component) 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.

➤ **Impairment of financial assets**

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits and bank balance.
- 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.



## STL Networks Limited

Notes to consolidated financial statements for the year ended March 31, 2025

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Group 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 Group 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 Group 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.

The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- For assessing increase in credit risk and impairment loss, the Group combines financial instruments based on 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 Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

See note (g) under 2.3 for the other relevant accounting policies.

### g) Business combinations - common control transactions

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interests method as follows

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities. Adjustments are only made to harmonise accounting policies.
- The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information is restated only from that date.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.
- The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.



## STL Networks Limited

Notes to consolidated financial statements for the year ended March 31, 2025

- The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

### h) Borrowing Costs

General and specific borrowing costs are directly expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### i) Income Taxes

#### Current income 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 based on amounts expected to be paid to the tax authorities.

#### Deferred tax

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 liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Group, and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted 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.

### j) Financial liabilities

#### 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



## STL Networks Limited

Notes to consolidated financial statements for the year ended March 31, 2025

occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, 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 Group 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.

### k) Presentation of EBITDA

The Group 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. 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 Group's financial position or performance.

Accordingly, the Group has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. In the measurement of EBITDA, the Group does not include depreciation and amortization expense, finance costs and tax expense.



## STL Networks Limited

Notes to consolidated financial statements for the year ended March 31, 2025

### 2.3 Summary of other accounting policies

#### a) Property plant and equipment

Historical cost includes expenditure that is directly attributable to the acquisition of the items of property, plant and equipment. Such historical cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs if the recognition criteria are met

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

When significant parts of the property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. No decommissioning liabilities are expected or be incurred on the assets of plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition is recognized in the statement of profit and loss in the period of derecognition.

The leasehold improvements and property, plant and equipment acquired under leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term, unless the entity expects to use the assets beyond the lease term.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the construction costs to the extent the expenditure can be attributable to construction activity or is incidental there to. Income earned during the construction period is deducted from the total of the indirect expenditure.

The assets residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

#### b) Employee Share-based payments

The fair value of options granted to the employees under the Employee Stock Option Plan of the Group Company is recognised as an employee benefits expense with a corresponding increase in other equity as contribution by parent. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g., the entity's share price)
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to other equity as contribution by parent.

#### c) Leases

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms, security and conditions.



## STL Networks Limited

Notes to consolidated financial statements for the year ended March 31, 2025

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and restoration costs.

### d) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned to individual items of inventory based on weighted average basis. Management estimates and writes down value of slow-moving inventory, considering the future usage and marketability of the product.

Inventories comprise materials and components procured specifically for contracts. Cost includes all direct purchase costs, duties, taxes (excluding those recoverable), and other expenditures incurred in bringing the inventory to its present location and condition. As the materials are project-specific and not held for general resale, they are identified and allocated to individual projects at the time of procurement.

Any obsolete or slow-moving project inventory is assessed periodically, and provisions are made where necessary.

### e) Provisions and contingent liabilities

#### General

Provisions are recognised when the Group 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 Group expects some or all 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 or 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 Group 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) Employee benefits

#### Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.



## STL Networks Limited

Notes to consolidated financial statements for the year ended March 31, 2025

### Post-employment obligations

The Parent Company operates the following post-employment schemes:

- Defined benefit plans in the nature of gratuity and
- Defined contribution plans such as provident fund.

#### > Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### > Defined contribution plans

The Parent Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Parent Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### g) Investments and Other Financial assets

#### **Classification & Recognition:**

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

- **Measurement:**  
Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.
- **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 finance income using the effective interest rate method. Impairment losses are presented as a separate line item in the financial statement.
- **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 revenue 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. 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.



## STL Networks Limited

Notes to consolidated financial statements for the year ended March 31, 2025

- **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 in the period in which it arises. Interest income from these financial assets is included in other income.

### **Derecognition of financial assets**

A financial asset is derecognised only when the Group 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 Group 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 Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### **Reclassification of financial assets**

The Group 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 Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group 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 Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## **h) Financial liabilities**

### **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## **i) 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.

## **j) Foreign currency translation**

### **Functional and presentation currency**

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

### **Transactions and balances**

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.



## STL Networks Limited

Notes to consolidated financial statements for the year ended March 31, 2025

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions)

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 and related exchange gain/loss are recognised in other comprehensive income and deferred in equity and subsequently recognized/reclassified to profit and loss on disposal of such net investment in foreign operation.

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.

### k) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

### l) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, which are subject to an insignificant risk of changes in value.

For 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 Group's cash management.

### m) 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. Refer note 51 for segment information presented.

### n) Earnings per share

#### **Basic earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group 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 shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### o) Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the transaction price unless there are significant financing components, when they are recognised at fair value. The Group 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.

### p) Derivatives

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently



## STL Networks Limited

Notes to consolidated financial statements for the year ended March 31, 2025

remeasured to their fair value at the end of each reporting period. Such contracts are accounted for at fair value through profit or loss and are included in statement of profit and loss.

### q) Exceptional items

When the items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such items are disclosed separately as exceptional item by the Group.

### r) Business Combination (acquisition method)

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred; liabilities incurred to the former owners of the acquired business; equity interests issued by the Group and fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred; amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

### **Redemption liability**

The Group recognises a financial liability at the present value of the redemption amount for its obligation, if any, to pay cash in the future to purchase the shares held by non-controlling interest shareholders. The initial redemption liability and any subsequent adjustment to the liability is reduced from the parent's equity if the risks and rewards of ownership remain with the non-controlling interest and are not transferred to the Group.



## STL Networks Limited

Notes to consolidated financial statements for the year ended March 31, 2025

### 2.4 Significant Accounting Judgements, Estimates and Assumptions

The preparation of consolidated financial statements requires the use of accounting estimates. Management exercises judgement in applying the group's accounting policies. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reliable and relevant under the circumstances. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Management believes that the estimates are the most likely outcome of future events. Detailed information about each of these estimates and judgements is described below:

#### a. **Revenue Recognition on Contracts with Customers**

The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the distinct goods/ services and the ability of the customer to benefit independently from such goods/services.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as liquidated damages, penalties and financing components. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group uses judgement to determine an appropriate consolidated selling price for a performance obligation (allocation of transaction price). The Group allocates the transaction price to each performance obligation based on the relative consolidated selling price of each distinct product or service promised in the contract. Where consolidated selling price is not observable, the Group uses the expected cost-plus reasonable margin approach to allocate the transaction price to each distinct performance obligation.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

Revenue for fixed-price contract is recognised using the input method for measuring progress. The group uses cost incurred related to total estimated costs to determine the extent of progress towards completion. Judgement is involved to estimate the future cost to complete the contract and to estimate the actual cost incurred basis completion of relevant activities towards fulfilment of performance obligations.

#### b. **Defined benefit plans**

The cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, employee turnover and expected return on planned assets. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the year end. Details about employee benefit obligations and related assumptions are given in Note 32.



## STL Networks Limited

Notes to consolidated financial statements for the year ended March 31, 2025

**c. Impairment of Goodwill and other intangible assets**

The Group tests whether goodwill has suffered any impairment on an annual basis and non-financial assets (including goodwill) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount of a cash generating unit (CGU) is determined based on value in use calculations. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate. The key assumptions used to determine the recoverable amount for goodwill including a sensitivity analysis are disclosed and further explained in Note 6.

**d. Recoverability of Deferred Tax Assets**

At each balance sheet date, the Group assesses whether the realisation of future tax benefits is sufficiently probable to recognise deferred tax assets on unutilised tax losses. This assessment requires the use of estimates with respect to assessment of future taxable income. The recorded amount of total deferred tax assets could change if estimates of projected future taxable income or if changes in current tax regulations are enacted for any of the tax jurisdictions in which the Group operates.

**e. Impairment assessment for trade receivables and contract assets**

The Group uses the simplified approach as prescribed by Ind AS 109: Financial Instruments to calculate the expected lifetime credit loss for receivable and contract assets. Given the differences in size, nature and contractual and operational risks of each contract, in assessing the recoverability of receivable, contract assets and expected lifetime credit loss, the Group assesses credit risk individually for each customer after considering the expected date of billing and collection, interpretation of contractual terms, project status, past history, latest discussion/ correspondence with the customers and legal opinions, wherever applicable



**STL NETWORKS LIMITED**

**Notes to Consolidated Financial Statements for the year ended March 31, 2025**

(All amounts are in ₹ crores, unless otherwise stated)

**3 Property, plant and equipment**

Cost	Plant & machinery	Furniture & fixtures	Data processing equipments	Office equipment	Electrical fittings	Vehicles	Lease hold improvement	Total
<b>As at April 01, 2023</b>								
Takenover pursuant to scheme of arrangement (refer note 48)	40.08	10.11	27.89	5.70	3.03	2.60	8.41	97.82
Additions			0.09	0.11	0.07	0.34	0.53	1.14
Disposals/ Adjustments	(0.23)	(0.02)	(0.07)	(0.34)	-	(0.23)	(0.23)	(1.13)
Translation adjustments	0.44	-	0.35	0.11	-	0.13	0.26	1.29
<b>As at March 31, 2024 (Unaudited)</b>	<b>40.29</b>	<b>10.09</b>	<b>28.26</b>	<b>5.68</b>	<b>3.10</b>	<b>2.73</b>	<b>8.97</b>	<b>99.12</b>
Additions	-	0.01	0.06	0.10	-	0.41	-	0.58
Disposals/ Adjustments	-	(0.02)	-	(0.06)	-	(0.89)	-	(0.97)
Translation adjustments	0.22	-	0.08	0.02	-	0.08	-	0.40
<b>As at March 31, 2025</b>	<b>40.51</b>	<b>10.08</b>	<b>28.40</b>	<b>5.74</b>	<b>3.10</b>	<b>2.33</b>	<b>8.97</b>	<b>99.13</b>
<b>Accumulated Depreciation</b>								
<b>As at April 01, 2023</b>								
Takenover pursuant to scheme of arrangement (refer note 48)	33.00	3.06	23.16	3.49	0.73	1.14	6.88	71.46
Charge for the year	4.05	1.27	1.61	0.84	0.82	0.77	1.49	10.85
Disposals/ Adjustments	(0.01)	(0.01)	(0.06)	(0.07)	-	(0.26)	(1.27)	(1.68)
Translation adjustments	0.86	-	0.04	0.01	-	0.02	-	0.93
<b>As at March 31, 2024 (Unaudited)</b>	<b>37.90</b>	<b>4.32</b>	<b>24.75</b>	<b>4.27</b>	<b>1.55</b>	<b>1.67</b>	<b>7.10</b>	<b>81.56</b>
Charge for the period	1.74	1.27	1.28	0.59	0.82	0.39	0.34	6.43
Disposals/ Adjustments	(0.40)	(0.01)	-	(0.03)	-	(0.51)	-	(0.95)
Translation adjustments	0.22	-	(0.10)	0.20	-	0.16	-	0.48
<b>As at March 31, 2025</b>	<b>39.46</b>	<b>5.58</b>	<b>25.93</b>	<b>5.03</b>	<b>2.37</b>	<b>1.71</b>	<b>7.44</b>	<b>87.52</b>
<b>Net Book Value :</b>								
<b>As at March 31, 2025</b>	<b>1.05</b>	<b>4.50</b>	<b>2.47</b>	<b>0.71</b>	<b>0.73</b>	<b>0.62</b>	<b>1.53</b>	<b>11.61</b>
<b>As at March 31, 2024 (Unaudited)</b>	<b>2.39</b>	<b>5.77</b>	<b>3.51</b>	<b>1.41</b>	<b>1.55</b>	<b>1.06</b>	<b>1.87</b>	<b>17.56</b>

**Notes:**

(i) Refer note 17 for information on property, plant and equipments pledged as security by the Group.

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

(iii) There are no contractual commitments with respect to acquisition of property, plant and equipment, also refer note 37.

(iv) The Group does not own any immovable property.

(v) The Group has not revealed its property, plant and equipment (including right-of-use of assets) or intangible assets or both during the current or previous year.



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025  
(All amounts are in ₹ crores, unless otherwise stated)

**4 Right-of-use assets and Lease Liabilities:**

**(i) Right-of-use assets**

The details of the right-of-use assets held by the Group are as follows

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
<b>Buildings</b>		
<b>Cost</b>		
Opening balance	37.59	-
Takeover pursuant to scheme of arrangement (refer note 48)	-	39.60
Additions	2.09	-
Disposals/ Adjustments	(21.89)	(2.16)
Translation adjustments	-	0.15
<b>Cost</b>	<b>17.79</b>	<b>37.59</b>
<b>Building</b>		
<b>Accumulated depreciation</b>		
Opening balance	23.01	-
Takeover pursuant to scheme of arrangement (refer note 48)	-	19.07
Charge for the year	2.32	3.89
Disposals/ Adjustments	(19.90)	-
Translation adjustments	-	0.05
<b>Accumulated depreciation</b>	<b>5.43</b>	<b>23.01</b>
<b>Net Book Value</b>	<b>12.36</b>	<b>14.58</b>

**(ii) Liabilities recognised in balance sheet**

The note provides information for leases where the Group is a lessee. The Group has taken offices on lease. Rental contracts for offices are typically made for fixed periods of 5 to 9 years, but have extension options.

The details of the lease liabilities held by the Group is as follows:

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
<b>Lease liabilities</b>		
Non-current	13.33	14.98
Current	3.30	3.78
<b>Total</b>	<b>16.63</b>	<b>18.76</b>

**Movement of lease liability**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
Opening balance	18.76	-
Takeover pursuant to scheme of arrangement (refer note 48)	-	23.79
Add: Created during the year	2.09	-
Less: Disposal/ adjustment during the year	(2.81)	(3.33)
Add: Interest accrued during the year	1.41	1.50
Less: Rent paid during the year	(3.35)	(2.72)
Translation adjustments	0.55	(0.48)
<b>Closing balance</b>	<b>16.65</b>	<b>18.76</b>

**(iii) Amount recognised in the Consolidated Statement of profit and loss**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
<b>Depreciation charge on right-of-use assets</b>		
Buildings (refer note 29)	2.32	3.89
<b>Finance Cost</b>		
Interest expenses on lease liabilities (refer note 30)	1.41	1.50
<b>Other Expenses</b>		
Expenses related to short term leases (included as rent in other expenses) (refer note 27)	4.25	4.94
<b>Total</b>	<b>7.98</b>	<b>10.33</b>

The total cash outflow for leases for the year ended March 31, 2025 is ₹ 7.60 (March 31, 2024 - ₹ 7.66)

**Extension and Termination option :**

Extension and termination options are included in leases held by the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

**5 Intangible Assets**

Particulars	Software	Non-Compete	Customer Relationships	Total	Goodwill (refer note 6)
<b>Cost</b>					
<b>As at April 01, 2023</b>					
• Takenover pursuant to scheme of arrangement (refer note 48)					
• Additions	4.42	8.54	37.81	50.77	64.69
• Disposals/Adjustments	0.05	-	-	0.05	-
• Translation adjustments	(0.22)	-	-	(0.22)	-
<b>As at March 31, 2024 (Unaudited)</b>					
• Additions	4.25	8.84	39.13	52.22	2.26
• Disposals/Adjustments	-	-	-	-	-
• Translation adjustments	-	0.46	2.03	2.49	3.48
<b>As at March 31, 2025</b>	<b>4.25</b>	<b>9.30</b>	<b>41.16</b>	<b>54.71</b>	<b>70.43</b>
<b>Accumulated Amortization</b>					
<b>As at April 01, 2023</b>					
• Takenover pursuant to scheme of arrangement (refer note 48)					
• Charge for the year	2.77	3.13	6.30	12.20	-
• Disposals/Adjustments	0.49	1.68	3.87	6.04	-
• Translation adjustments	-	-	-	-	-
<b>As at March 31, 2024 (Unaudited)</b>					
• Charge for the year	3.26	4.94	10.43	18.63	-
• Disposals/Adjustments	0.17	1.67	4.27	6.11	-
• Translation adjustments	-	-	-	-	-
<b>As at March 31, 2025</b>	<b>3.47</b>	<b>7.23</b>	<b>15.09</b>	<b>25.79</b>	<b>-</b>
<b>Net Book Value :</b>					
<b>As at March 31, 2025</b>	<b>0.78</b>	<b>2.07</b>	<b>26.07</b>	<b>28.92</b>	<b>70.43</b>
<b>As at March 31, 2024 (Unaudited)</b>	<b>0.99</b>	<b>3.90</b>	<b>28.70</b>	<b>33.59</b>	<b>66.95</b>



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

**6 Impairment Testing of Goodwill**

Particulars	As at	As at
	March 31, 2025	March 31, 2024 (Unaudited)
Goodwill (refer note 5)	70.43	66.95

Goodwill is monitored by management at CGU level. The Group has performed its annual impairment test by computing the recoverable amount based on a value in use calculations which require the use of assumptions as given in table below. The calculations use annual budgets approved by Board of Directors and cash flow projections approved by senior management covering a period of five years. The management has not identified any instances that could cause the carrying amount of the CGU's to exceed the recoverable amount.

A CGU level summary of the goodwill allocation is given below

Particulars	As at	As at
	March 31, 2025	March 31, 2024 (Unaudited)
UK Region	70.43	66.95

**Key assumptions used in the value in use calculations**

The following table provides the key assumptions for CGUs that have goodwill allocated to them:

Particulars	As at	As at
	March 31, 2025	March 31, 2024 (Unaudited)
EBITDA margins over the budgeted period for UK Region	4.50% - 22.97%	5.00% - 25.00%
Sales volume (% annual growth rate) over the budgeted period for UK Region	10.00% - 65.00%	10.00% - 32.00%
Long-term terminal Growth rate for UK Region	2.00%	2.00%
Pre-tax discount rate for UK Region	11.64%	11.45%

Management has determined the values assigned to each of the above key assumptions as follows.

**Discount Rate**

Discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and the CGU and is derived from the CGU's weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. CGU specific risk is incorporated by applying individual beta factor. The beta factor is evaluated annually based on publicly available market data.

**Growth rate assumptions**

The Group has considered growth rate to extrapolate cash flows beyond the budget period, consistent with the industry forecasts.

**EBITDA margins**

EBITDA margins are based on the actual EBITDA of the CGU based on the past trend and future expectations.

**Sensitivity to changes in assumptions**

A rise in Pre-tax discount rate to 14.42% (March 31, 2024: 17.30%) would result in impairment.

**EBITDA margins** - A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA margins to 3.24% - 16.54% (March 31, 2024: 3% - 13%) would result in impairment.

The Board of directors and the Management has considered and assessed reasonably possible changes for the other key assumptions and have not identified any instances that could cause the carrying amount of Goodwill to exceed its recoverable amount.



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025  
(All amounts are in ₹ crores, unless otherwise stated)

**7 Non - Current Investments**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
<b>Non - Current investments (unquoted)</b>		
Investment in jointly controlled entity, measured at cost		
50% (March 31, 2024: 50%) Equity investment in Sterlite Conduspar Industrial Ltda 7,439,393 Shares (March 31, 2024: 7,439,393) of R\$ (Brazilian Real) 1.00 each fully paid up.		
<b>Other Investment</b>		
Nil (March 31, 2024 : 25,000) Equity shares of STL Solutions Germany GmbH of Euro 1.00 each fully paid-up (Refer Note 35)		0.22
<b>Total</b>		<b>0.22</b>
Aggregate amount of unquoted investments		0.22
Aggregate amount of impairment in the value of investments		

**Notes:**

- The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- The Group has not traded or invested in crypto currency or virtual currency during the current year and previous year.

**8 Loans**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
<b>Non-current</b>		
Loans to related parties (refer note 47)		5.38
Less : loss allowance		(2.80)
		<b>2.58</b>
<b>Break-up for security details</b>		
Loans considered good - Secured		-
Loans considered good - Unsecured		2.58
Loans which have significant increase in credit risk		-
Loans - Credit impaired		2.80
<b>Total</b>		<b>5.38</b>
Less : loss allowance		(2.80)
<b>Total</b>		<b>2.58</b>
<b>Total non current loans</b>		<b>2.58</b>



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties :

Type of Borrower	Amount outstanding as at March 31, 2024 (Unaudited)	Percentage to the total loans and Advances in the nature of loan
<b>Amounts repayable on demand :</b>		
<b>Related parties</b>		
STL Solutions Germany GmbH	2.58	48%
Sterlite Condustar Industries Ltda	2.80	52%
<b>Total</b>	<b>5.38</b>	<b>48%</b>

Notes:

- Loans to related parties were granted for meeting their working capital requirements.
- The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities ("Intermediaries") with the understanding (whichever recorded in writing or otherwise) that the Intermediary shall:
  - directly or indirectly lend or invest in other persons/ entities identified in any manner whatsoever by or on behalf of the Group ("ultimate beneficiaries") or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**9 Other financial assets**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
<b>Non Current (unsecured, considered good)</b>		
Security deposit	2.12	2.96
<b>Total other non current financial assets</b>	<b>2.12</b>	<b>2.96</b>
<b>Current (Unsecured, considered good)</b>		
Foreign exchange forward contracts	-	0.68
Security deposit	3.39	4.11
Others*	6.20	28.13
<b>Total other current financial assets</b>	<b>9.59</b>	<b>32.92</b>

\*This includes expenses incurred on behalf of customer, amounting to ₹ 5.39 (March 31, 2024: ₹ 4.48) and discounted bills receivables re-purchased amounting to ₹ Nil (March 31, 2024: ₹ 23.45)

Refer note 17 for information on current assets pledged as security.



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

**10 Deferred Tax Assets (net)**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
<b>Deferred tax assets</b>		
Provision for contract assets and other assets	23.35	23.35
Expenditure allowed for tax purposes on payment basis	25.94	26.47
Deferred tax asset on business losses as per income tax laws in respective jurisdiction	53.82	50.53
Lease Liability	3.93	4.19
Property, plant & equipment and intangible assets: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	2.09	1.55
<b>Total deferred tax asset (A)</b>	<b>109.13</b>	<b>106.09</b>
<b>Deferred tax liabilities</b>		
Impact of difference in revenue recognition under income tax and Ind AS	15.83	15.83
Intangible assets: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	7.01	7.92
Right of Use assets	3.50	3.65
Others	0.28	0.28
<b>Total deferred tax liability (B)</b>	<b>26.34</b>	<b>27.68</b>
<b>Net deferred tax assets / (liability) (A-B)</b>	<b>82.79</b>	<b>78.41</b>

**Unused business losses and other temporary differences on which no deferred tax asset has been recognised**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
Business losses and other temporary differences (relating to subsidiaries in UK region)*	(46.95)	-
<b>Total</b>	<b>(46.95)</b>	<b>-</b>
Potential Deferred Tax not created (tax rate 25% (March 31, 2024: 25%))	(11.82)	-

\*Deferred tax asset on business losses have no expiry period for utilisation as per the income tax laws in respective jurisdiction.

**Reconciliation of deferred tax assets**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
Opening deferred tax assets, net	78.41	-
Takenover pursuant to scheme of arrangement (refer note 48)	-	42.67
Deferred tax credit / (charge) recorded in statement of profit and loss	5.41	32.80
Deferred tax credit / (charge) recorded in OCI	(3.78)	2.13
Translation adjustments	2.75	0.81
<b>Closing deferred tax assets, net</b>	<b>82.79</b>	<b>78.41</b>



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

The major components of income tax expense for the period ended

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
<b>Profit or loss section</b>		
Current tax	14.50	29.02
Deferred tax	(5.41)	(32.80)
<b>Income tax expenses reported in the statement of profit and loss</b>	<b>9.09</b>	<b>(3.78)</b>

**OCI section**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
Deferred tax related to items recognised in OCI during the year		
Remeasurements gain / (loss) of defined employee benefits plans	(0.15)	0.22
Exchange gain/ (loss) on translation of financial statements of foreign operations	(3.63)	1.91
<b>Income tax charged through OCI</b>	<b>(3.78)</b>	<b>2.13</b>

**Reconciliation of tax expense**

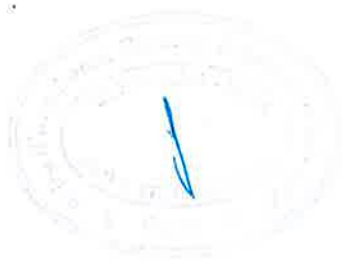
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
Accounting profit before income tax	(22.86)	3.25
Tax at India's statutory income tax rate of 25.17% (March 31, 2024: 25.17%) - Charge / (credit)	(5.75)	0.82
Tax impact on interest on MSME Disallowed as Income Tax Act 1961	2.74	-
Deferred tax asset on business losses as per income tax laws in respective jurisdiction not recognised	11.82	-
Difference in overseas tax rate	-	(4.80)
Other disallowances under various sections of Income tax Act, 1961	0.29	0.21
<b>Income tax expense</b>	<b>9.09</b>	<b>(3.78)</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>9.09</b>	<b>(3.78)</b>

**10A Income tax liabilities / (assets) (net)**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
Opening Income tax liabilities/(assets)(net)	0.22	-
Add: Income tax payable for the period/ year	14.50	29.02
Add/(Less): Tax paid (net of refunds)	(20.71)	(28.80)
<b>Total income tax liabilities/(assets)(net)</b>	<b>(5.99)</b>	<b>0.22</b>

**10B Income Tax Assets / Liabilities**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
Income tax liabilities (net of advance income tax, including TDS ₹ 28.80 (March 31, 2024: ₹ 28.80))	0.22	0.22
	<b>0.22</b>	<b>0.22</b>
Income tax assets (net of provision for tax ₹ 14.50 (March 31, 2024: ₹ Nil))	6.21	-
	<b>6.21</b>	-



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025  
(All amounts are in ₹ crores, unless otherwise stated)

**11 Other assets and Contract assets**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
<b>Non-current (unsecured, considered good)</b>		
Prepaid expenses	36.74	17.77
Balance with government authorities	31.39	32.79
<b>Total other non-current assets</b>	<b>68.13</b>	<b>80.56</b>
<b>Current (unsecured, considered good)</b>		
Prepaid expenses (refer note below)	25.30	25.80
Balance with government authorities	76.50	74.40
Other advances	3.03	3.68
<b>Total other current assets</b>	<b>104.83</b>	<b>103.88</b>

Includes cost to obtain a contract of ₹ 3.46 (March 31, 2024 : ₹ 3.59) which is being amortised to Statement of Profit and Loss on a systematic basis which is consistent with the transfer to the customer of the goods and services. The amount amortised to Statement of Profit and Loss in the current period is ₹ 0.13 (March 31, 2024 : ₹ 0.19)

**Contract assets (unsecured, considered good)**

<b>Contract assets (unsecured, considered good)</b>		
Contract assets - unbilled revenue	1,057.71	1,210.62
Retention billed and not due at period/ year end	236.54	287.10
Less: Loss allowance	(61.00)	(61.00)
<b>Total Contract assets</b>	<b>1,233.25</b>	<b>1,436.72</b>
<b>Undisputed</b>		
Undisputed	1,138.51	1,241.98
Disputed (refer note below)	155.74	155.74
Less: Loss allowance	(61.00)	(61.00)
<b>Total Contract assets</b>	<b>1,233.25</b>	<b>1,436.72</b>

**Notes:**

Contract assets and trade receivables includes ₹ 155.74 (March 31, 2024 : ₹ 155.74) and ₹ 135.51 (March 31, 2024 : ₹ 135.51), respectively, outstanding as at March 31, 2025 representing receivables from customers based on the terms and conditions implicit in the contracts in respect of closed/ substantially closed/ suspended projects. These aforementioned receivables are being disputed by the customer, for which the Parent Company is under arbitration process. Considering the overall project status, past history, discussion/ correspondence with the customers, contractual terms and legal opinions, the Group has recognised expected credit loss of ₹ 61.00 and is confident that the balance receivables are good and fully recoverable.

Contract assets have decreased from previous year as Group has provided fewer services ahead of agreed billing and payment schedule for fixed price contracts and on account of billing done in current year.

During the year ended March 31, 2025, ₹ 570.49 (March 31, 2024 : ₹ 793.15) of opening unbilled revenue has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Contract assets and trade receivables include ₹ 276.50 (March 31, 2024 : ₹ 276.83) and ₹ 125.38 (March 31, 2024 : ₹ 131.02), respectively, where the billing and collections are based on completion of certain specific milestones, which depend on obtaining certain regulatory and other approvals. Under the contractual terms, the responsibility to secure and provide these approvals lies with the customer, who is currently in the process of doing so. Management has reviewed the recoverability considering overall project status, past history, contractual terms and latest discussion/ correspondence with the customers, and is confident that these receivables are good and fully recoverable.

Refer note 17 for information on current assets pledged as security.

**12 Inventories**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
Components and bought-outs	42.02	46.28
<b>Total Inventories</b>	<b>42.02</b>	<b>46.28</b>

Amounts recognized in the Consolidated statement of profit and loss

Write-downs of inventories to net realisable value amounted to ₹ Nil (March 31, 2024 : ₹ Nil)

Refer note 17 for information on current assets pledged as security.



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

**13 Trade receivables**

Particulars	As at	As at
	March 31, 2025	March 31, 2024 (Unaudited)
Billed amount	1,076.19	1,057.31
Less: Retention billed and not due as at year end (refer note (a) below)	(236.54)	(287.10)
<b>Trade receivables</b>	<b>839.65</b>	<b>770.21</b>
<b>Current</b>		
Trade receivables - billed (refer notes to note 11)	835.99	768.45
Trade receivables - unbilled (refer note (b) below)	63.92	77.95
Receivables from related parties (refer note 47)	3.66	1.76
Less: Loss allowance	(2.32)	(2.32)
	<b>901.25</b>	<b>845.84</b>
<b>Break-up for security details</b>		
Trade receivables considered good - secured		
Trade receivables considered good - unsecured	901.25	845.84
Trade receivables which have significant increase in credit risk		
Trade receivables - credit impaired	2.32	2.32
<b>Total</b>	<b>903.57</b>	<b>848.16</b>
Less: Allowance for expected credit losses	(2.32)	(2.32)
<b>Total Current trade receivables</b>	<b>901.25</b>	<b>845.84</b>
<b>Total trade receivables</b>	<b>901.25</b>	<b>845.84</b>

**Notes:**

- The amount pertains to retention billed as per the contractual terms, payment of which is subject to fulfillment of certain performance obligations. The amount has been reclassified under contract assets as the Group does not have unconditional right to payment as at the reporting date.
- The receivable is 'unbilled' because the Group has not yet issued an invoice; however, the balance has been included under trade receivables because it is an unconditional right to consideration.
- No trade or other receivable are due from directors or other officers of the Group either severally or jointly. Also no trade or other receivable are due from firms or private companies in which any director is a partner, a director or a member.
- Refer note 17 for information on current assets pledged as security.

**Trade receivable ageing**

Particulars	Outstanding for following periods from due date of payment			
	As at March 31, 2025			
	Undisputed Trade receivables - Considered Good	Undisputed Trade Receivables - Credit Impaired	Disputed Trade Receivables - considered good	Total
Unbilled	63.92	-	-	63.92
Not due	296.57	-	-	296.57
Less than 6 months	300.54	-	-	300.54
6 months to 1 year	57.58	-	-	57.58
1-2 years	30.60	-	7.30	37.90
2-3 years	8.15	-	-	8.15
More than 3 years	8.38	2.32	128.21	138.91
<b>Total</b>	<b>765.74</b>	<b>2.32</b>	<b>135.51</b>	<b>903.57</b>

Particulars	Outstanding for following periods from due date of payment			
	As at March 31, 2024 (Unaudited)			
	Undisputed Trade receivables - Considered Good	Undisputed Trade Receivables - Credit Impaired	Disputed Trade Receivables - considered good	Total
Unbilled	77.95	-	-	77.95
Not due	310.36	-	-	310.36
Less than 6 months	150.07	-	7.30	157.37
6 months to 1 year	103.54	-	-	103.54
1-2 years	49.39	-	-	49.39
2-3 years	19.02	-	-	19.02
More than 3 years	-	2.32	128.21	130.53
<b>Total</b>	<b>710.33</b>	<b>2.32</b>	<b>135.51</b>	<b>848.16</b>

**14 Cash and cash equivalents**

Particulars	As at	As at
	March 31, 2025	March 31, 2024 (Unaudited)
Balances with banks - In current accounts (refer note (a) below)	212.13	57.13
<b>Total cash and cash equivalents</b>	<b>212.13</b>	<b>57.13</b>

**Notes:**

- This includes balances with bank - in current accounts of Sterlite Technologies Limited amounting to ₹ 200.00 at the year end (March 31, 2024 ₹ 50.00) and allocated to the Parent Company pursuant to the scheme of arrangement (refer note 48) and as approved by the Board of Directors.
- Refer note 17 for information on current assets pledged as security.



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

**15 Equity share capital**

Particulars	As at	As at
	March 31, 2025	March 31, 2024 (Unaudited)
<b>a. Authorised equity share capital :</b>		
750,000,000 (March 31, 2024 : 50,000) equity shares of ₹ 2.00 (March 31, 2024 : 10.00) each (refer note (f) below)	150.00	0.10
	<b>150.00</b>	<b>0.10</b>
<b>b. Issued, subscribed and paid-up equity shares (including equity share capital suspense account):</b>		
250,000 (March 31, 2024: 50,000) Equity shares of ₹ 2.00 each (March 31, 2024: ₹ 10 each) fully paid-up	0.10	0.10
Equity shares pending allotment pursuant to scheme of arrangement (refer note 48) (Equity share capital suspense account) (equity shares of ₹ 2.00 each)	97.58	97.58
Cancellation of equity shares pursuant to scheme of arrangement (refer note 48)	(0.10)	(0.10)
<b>Total Issued, subscribed and paid-up equity shares (including equity share capital suspense account):</b>	<b>97.58</b>	<b>97.58</b>

**c. Equity share capital suspense account**

	As at March 31, 2025		As at March 31, 2024 (Unaudited)	
	Number of Shares	₹ in crores	Number of Shares	₹ in crores
Equity Shares pending allotment (refer note below)	48,79,21,086	97.58	48,79,21,086	97.58
<b>Total</b>	<b>48,79,21,086</b>	<b>97.58</b>	<b>48,79,21,086</b>	<b>97.58</b>

The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") has approved the Scheme referred in note 48, vide order dated February 14, 2025. Further on March 18, 2025, the Parent Company received a certified true copy of the order dated February 14, 2025 ("Order") passed by the Hon'ble NCLT approving the Scheme, which was filed with the Registrar of Companies (ROC), making the Scheme effective on the close of business hours on March 31, 2025.

250,000 equity shares of ₹ 2.00 each of the Parent Company amounting to ₹ 0.10 held by Demerged Company stands cancelled on the Scheme becoming effective. Consequently, the Parent Company has ceased to be subsidiary of Demerged Company as on March 31, 2025.

Pursuant to the Scheme, the Parent Company has allotted equity shares to the shareholders of Sterlite Technologies Limited whose name appeared in the register of members as on the record date i.e. April 24, 2025, one equity share of ₹ 2.00 each in the Parent Company as fully paid up for every equity share of ₹ 2.00 each held by them in Sterlite Technologies Limited. The equity share capital of ₹ 97.58 pending allotment as on March 31, 2025, has been disclosed as Equity Share capital Suspense Account.

**d. Reconciliation of number of equity shares outstanding at the beginning and end of the year :**

There is no change in the fully paid up equity shares at the beginning and at the end of the year.

**e. Rights, preferences and restrictions attached to equity shares**

The Parent Company has one class of equity share having par value of ₹ 2.00 each (March 31, 2024: ₹ 10.00 each) (refer note (f) below). Each holder of equity share is eligible to one vote per share. In the event of liquidation, the holders of the equity shares will be entitled to receive the remaining assets of the Parent Company after distribution of all preferential amounts, in proportion to their shareholding.

f. The authorized share capital and paid-up share capital of the Parent Company of ₹ 0.10 divided into 50,000 Equity Shares of ₹ 10.00 each, was split into 250,000 Equity Shares of ₹ 2.00 each and the authorised share capital of the Parent Company was increased to ₹ 150.00 divided into 750,000,000 equity shares of ₹ 2.00 each, and the same was approved by the shareholders of the Parent Company vide meeting dated March 21, 2025 (refer note 48). Necessary filings were made by the Parent Company with Ministry of Corporate Affairs on April 04, 2025 and April 10, 2025 respectively.

**g. Equity Shares held by Holding Company:**

Immediate Holding Company	As at March 31, 2025		As at March 31, 2024 (Unaudited)	
	Number of Shares	% holding	Number of Shares	% holding
Sterlite Technologies Limited and its nominee shareholders (refer note 15(c) above)			50,000	100%

**Note:**

Pursuant to the Scheme of arrangement (refer note 48), on the Scheme being effective and subsequent allotment of equity shares, Twin Star Overseas Limited, Mauritius (Subsidiary of Vedanta Incorporated, Bahamas) is the immediate holding company, number of shares held 209,402,750 (% holding - 42.92). Based on the assessment performed by the Management, Twin Star Overseas Limited is considered as Holding Company of the Parent Company under the Companies Act, 2013 and Indian Accounting Standards.



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

**h. Details of shareholders holding more than 5% of shares in the Group**

	As at March 31, 2025		As at March 31, 2024 (Unaudited)	
	Number of Shares	% holding	Number of Shares	% holding
Sterlite Technologies Limited and its nominee shareholders (refer note 15(c) above)			50,000	100%

Note:

Pursuant to the Scheme of arrangement (refer note 48), on the Scheme being effective and subsequent allotment of equity shares following are the details of shareholders holding more than 5% of shares in the Parent Company

Name of Shareholder	Number of Shares	Percentage of total number of shares
Twin Star Overseas Limited, Mauritius	20,94,02,750	42.92%
Bandhan Flexicap Fund	2,61,70,223	5.36%

Refer note (47 A(a)(i)), for Ultimate Controlling Party, legal and beneficial ownership of shares, basis the records of the Parent Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest

**i. Details of shareholding of Promoters**

As at March 31, 2025

Name of the promoter	Number of shares	Percentage of total number of shares	Percentage of change
Sterlite Technologies Limited and its nominee shareholders (refer note 15(c) above)			100%

Note:

Pursuant to the Scheme of arrangement (refer note 48), on the Scheme being effective and subsequent allotment of equity shares, the following is the holding of promoters

Name of the promoter	Number of shares	Percentage of total number of shares	Percentage of change
Twin Star Overseas Limited, Mauritius	20,94,02,750	42.92%	100%
Vedanta Limited	47,64,295	0.98%	100%
Ankit Agarwal	8,38,676	0.17%	100%
Navin Kumar Agarwal	2,86,945	0.06%	100%
Pratik Pravin Agarwal	52,500	0.01%	100%
Pravin Agarwal	50,000	0.01%	100%
Sonakshi Agarwal	21,000	0.00%	100%
Ruchira Agarwal	16,000	0.00%	100%
Jyoti Agarwal	11,500	0.00%	100%
Pravin Agarwal Family Trust	100	0.00%	100%
Anil Agarwal	-	0.00%	
<b>Total</b>	<b>21,54,43,766</b>	<b>44.16%</b>	<b>100.00%</b>

As at March 31, 2024

Name of the promoter	Number of shares	Percentage of total number of shares	Percentage of change
Sterlite Technologies Limited and its nominee shareholders	50,000	100.00%	0%

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

**j. Shares allotted as fully paid-up without payment being received in cash during the year of 5 years immediately preceding the date of Balance Sheet are as under :**

Refer note 15(c) above

**k. Details of shares bought back during the 5 years preceding 31 March 2025:**

The Parent Company has not undertaken any buyback of its equity shares since its incorporation on March 26, 2021. Hence, there are no transactions or events to report under this disclosure requirement

**l. Shares reserved for issue under options**

As at March 31, 2025 1,955,249 shares are reserved for issue under special purpose employee stock option scheme as per Scheme of Arrangement referred in Note 48



**STL NETWORKS LIMITED**
**Notes to Consolidated Financial Statements for the year ended March 31, 2025**

(All amounts are in ₹ crores, unless otherwise stated)

**16 Other equity**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
<b>A. Reserves and Surplus</b>		
<b>Capital reserve</b>		
Balance at the beginning of the year	832.48	
Pursuant to scheme of arrangement (refer note 48)	-	832.48
<b>Balance as at the end of the year</b>	<b>832.48</b>	<b>832.48</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	10.49	(0.02)
Profit for the year	(31.95)	13.48
Re-measurement gain/(losses) on defined benefit plans [net of tax]	0.46	(0.65)
Transaction with non-controlling interest (refer note 50)	-	(2.32)
<b>Balance as at the end of the year</b>	<b>(21.00)</b>	<b>10.49</b>
<b>B. Capital contribution by parent</b>		
Balance at the beginning of the year	1.94	-
Employee share based payment expenses for the year	1.29	1.94
<b>Balance as at the end of the year</b>	<b>3.23</b>	<b>1.94</b>
<b>C. Exchange difference on translation of financial statements of foreign operations</b>		
Opening balance	(4.87)	-
Pursuant to scheme of arrangement (refer note 48)	-	0.80
Add: Exchange gain/ (loss) on translation of financial statements of foreign operations	3.93	(7.58)
Add / (Less) - Deferred tax	(3.63)	1.91
<b>Balance as at the end of the year</b>	<b>(4.57)</b>	<b>(4.87)</b>
<b>Total other equity</b>	<b>810.14</b>	<b>840.04</b>

**Note : Nature and purpose of reserves other than retained earnings**

a) Capital Reserve - Capital reserve was created pursuant to Scheme of arrangement for demerger of Global Services Business from Sterlite Technologies Limited into STL Networks Limited and consequent accounting as per Appendix C of Ind AS 103 - Business Combinations (refer note 48)

b) Capital contribution by parent - Capital contribution by parent is used to recognise the fair value of options granted to employees of the Group under the employee stock option plan (ESOP) of Sterlite Technologies Limited pursuant to scheme of arrangement (refer note 48)

c) Exchange difference on translation of financial statements of foreign operations - Exchange differences arising on translating financial statements of the foreign operations are recognised in other comprehensive income and accumulated in equity and the cumulative amount is reclassified to profit or loss when the net investment is disposed off. Also, includes exchange gain/(loss) (net of tax) related to monetary items considered as net investments in foreign operations

**17 Borrowings**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
<b>A. Non-current borrowings</b>		
<b>Term Loan</b>		
Loans from banks (refer note 17(A)(a) below for security and other details)*	71.94	86.07
<b>Unsecured Loan</b>		
<b>Term Loan</b>		
Borrowings takenover pursuant to scheme of arrangement (refer note 48) - Indian rupee loans from NBFC (refer note b below)	40.69	78.33
<b>Total Non current borrowings</b>	<b>112.63</b>	<b>164.40</b>
Less:- Current maturities of long term borrowings disclosed under the head "Current Borrowings"*	(35.97)	(54.99)
<b>Total Non-current borrowings</b>	<b>76.66</b>	<b>109.41</b>

\* Includes interest accrued on borrowings



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

Notes:

**a) STL UK Holdco Limited, UK**

Loan from bank of ₹ 71.94 (March 31, 2024: ₹ 86.07) carries interest of overnight SONIA + 2.8% p.a. Loan amount is repayable in 2 half yearly instalments of GBP 0.06 (Equivalent in INR: ₹ 6.30) starting from July 2023 to January 2024 and thereafter GBP 0.11 (Equivalent in INR: ₹ 11.55) for the period July 2024 to July 2028 (excluding interest). The loan is secured by way of charge created on entire current assets of Clearcomm Group Limited. The current assets of Clearcomm Group Limited as at year end is ₹ 5.38 (March 31, 2024: ₹ 24.61). Further, Corporate guarantee was earlier issued by Sterlite Technologies Limited (Demerged Company) in respect of said loan, which pursuant to the scheme of arrangement (refer note 48), is transferred to Parent Company.

**b) STL Networks Limited**

Above loan balances are Takenover pursuant to the scheme of arrangement (refer note 48). As per the scheme, the primary obligation to repay transferred loans shall be that of the Parent Company. However, without prejudice to such transfer, where considered necessary for the sake of convenience and towards facilitating single point discharge, the Parent Company may repay the borrowings by making payments on the respective due dates to Sterlite Technologies Limited (Demerged Company), which in turn shall make payments to the respective banks until the novation of loan contracts in the name of the Parent Company. Unsecured Indian rupee term loan from NBFC amounting to ₹ 40.69 (March 31, 2024: ₹ 78.33) carries interest in the range of 2.50% to 6.50% p.a. Loan amount is repayable in FY 2025-26, FY 2026-27 and 2027-28. Management will initiate the process to assign these borrowings from the Demerged Company to the Parent Company.

The terms and conditions of existing loan balances may under go change post assignment of the loan contracts in the name of Parent Company.

**B. Current Borrowing**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
<b>Current borrowings</b>		
Borrowings takenover pursuant to scheme of arrangement referred in note 48 - Working capital demand loan from bank (secured) (Refer Notes below)	703.18	243.94
Current maturities of non-current borrowings (unsecured)	17.64	37.56
Current maturities of non-current borrowings (refer note 17(A)(a) above for security and other details)*	18.33	17.43
<b>Total Current Borrowings</b>	<b>739.15</b>	<b>298.93</b>

\* Includes interest accrued on borrowings

Notes:

**STL Networks Limited**

- a) Above loan balances are proportionately transferred to the Parent Company pursuant to the scheme of arrangement as on the appointed date and are adjusted for any changes in the net assets of the demerged undertaking from the appointed date till the year end (refer note 48). As per the scheme, the primary obligation to repay transferred loans shall be that of the Parent Company. However, without prejudice to such transfer, where considered necessary for the sake of convenience and towards facilitating single point discharge, the Parent Company may repay the borrowings by making payments on the respective due dates to Sterlite Technologies Limited (Demerged Company), which in turn shall make payments to the respective banks until the novation of loan contracts in the name of the Parent Company.
- b) Pursuant to the Scheme of arrangement for demerger referred in Note 48, the encumbrance in respect to the secured borrowings transferred to the Parent Company shall be extended to and operate over the assets transferred to the Parent Company which may have been encumbered in respect of such secured borrowings. Accordingly, the encumbrance, if any, over the assets remaining with Sterlite Technologies Limited are released from the obligations relating to the secured borrowings transferred to the Parent Company. Similarly, the encumbrance over the assets transferred to the Parent Company are released from the obligations relating to the secured borrowings remaining with Sterlite Technologies Limited. The Parent Company will be filing the particulars relating to registration / modification of charge with the Registrar of Companies upon completion of necessary discussion / documentation with the bankers.
- c) Working capital demand loan from banks is secured by first pari-passu charge on entire current assets of the Parent Company (both present and future) and second pari-passu charge on plant & machinery and other movable fixed assets of the Parent Company. Working capital demand loans have been taken for a period of 7 days to 180 days and carry interest @ 7.50% to 8.50% p.a. (March 31, 2024: @ 7.65% to 8.30% p.a). The terms and conditions of existing loan balances may under go change post novation of the loan contracts in the name of Parent Company.

**Net debt reconciliation**

This section sets out an analysis of net debt and the movements in net debt for each of the year presented.

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
Non-current borrowings	(76.66)	(109.41)
Current borrowings (including interest accrued but not due)	(739.15)	(298.93)
Lease liabilities	(16.65)	(18.76)
Cash and cash equivalents	212.13	57.13
<b>Net Debt</b>	<b>(620.33)</b>	<b>(369.97)</b>



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

**Movement of Borrowings (current and non current)**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
Opening balance	408.34	-
Add: Takenover pursuant to scheme of arrangement (refer note 48)	-	717.32
Cashflows	407.47	(308.98)
Interest expense	57.88	57.59
Interest paid	(57.88)	(57.59)
Closing balance	815.81	408.34

**Cash and cash equivalent**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
Opening balance	57.13	-
Add: Takenover pursuant to scheme of arrangement (refer note 48)	-	52.09
Cashflows	(45.01)	5.04
Closing balance	12.12	57.13

**Assets pledged as security**

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
<b>In respect of borrowings relating to STL UK Holdco Limited</b>		
<b>Current</b>		
<b>Financial Assets</b>		
<b>Exclusive Charge</b>		
Trade Receivables	5.34	16.99
Cash and Cash Equivalents	0.04	0.20
<b>Non Financial Assets</b>		
<b>Exclusive Charge</b>		
Contract Assets	-	5.68
Other Current Assets	-	1.74
<b>Total Current Assets pledged as security</b>	<b>5.38</b>	<b>24.61</b>

**In respect of borrowings relating to STL Networks Limited**

**Current**

**Financial Assets**

**Pari Passu Charge**

Trade Receivables

Cash and Cash Equivalents

Other Current Financial Assets

**Non Financial Assets**

**Pari Passu Charge**

Inventories

Contract Assets

Other Current Assets

**Total Current Assets pledged as security**

**Non Current Assets**

**Pari Passu Charge**

Plant & Machinery

Furnitures & Fixtures

Data Processing Equipments

Office Equipments

Electrical Fittings

Vehicles

**Total Non Current Assets pledged as security**

**Total Assets pledged as security**

	903.94	814.06
	200.00	50.00
	8.66	32.21
	39.61	41.71
	1,226.65	1,407.15
	97.22	103.17
<b>Total Current Assets pledged as security</b>	<b>2,476.08</b>	<b>2,448.30</b>
	0.95	2.19
	4.50	5.77
	2.04	3.00
	0.78	1.28
	0.73	1.55
	0.61	0.78
<b>Total Non Current Assets pledged as security</b>	<b>9.61</b>	<b>14.57</b>
<b>Total Assets pledged as security</b>	<b>2,485.69</b>	<b>2,462.87</b>



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

**Notes:**

**i) Borrowing secured against current assets :**

The Parent Company does not have any sanctioned working capital limits from banks and financial institutions as on March 31, 2025. Sterlite Technologies Limited (the Demerged Company) and the Parent Company are in the process of obtaining separate working capital limits from banks and financial institutions consequent to the Scheme of arrangement (refer note 48). In respect of available existing limits of Demerged Company in excess of ₹ 5.00, in aggregate, sanctioned on the basis of security of current assets, the Demerged Company has filed returns or statements of current assets for the quarter ended March 31, 2025, as applicable to the Parent Company, with banks and financial institutions based on information shared by the Parent Company which are in agreement with the books of accounts.

**ii) Utilisation of borrowed funds :**

The Group 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 Group 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

iii) The Group has not obtained any term loan during the year and there are no unutilised balances of term loans obtained in the earlier years as on April 01, 2024.

iv) The Group has not been declared wilful defaulter by any bank or financial institution or other lenders.

v) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period except noted in Note 17(B)(b) above.

**18 Other financial liabilities**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
<b>Current</b>		
Deposits from vendors	2.61	2.39
Interest on Micro Small and Medium Enterprises (MSMED) vendors	15.37	4.49
Employee benefits payable	6.67	14.23
Others	-	1.13
<b>Total other current financial liabilities</b>	<b>24.65</b>	<b>22.24</b>

**19 Trade payables**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
Total outstanding dues of micro enterprises and small enterprises (refer note 40)	94.51	93.55
Outstanding dues other than above		
- Related parties (refer note 47)	38.64	94.33
- Acceptances	98.57	92.14
- Others	685.36	1,014.73
	822.57	1,201.20
<b>Total trade payables</b>	<b>917.08</b>	<b>1,294.75</b>

**Trade payables ageing**

Particulars	Outstanding for following periods from due date			
	As at March 31, 2025		As at March 31, 2024 (Unaudited)	
	MSME Undisputed	Others Undisputed	MSME Undisputed	Others Undisputed
Unbilled	-	346.48	-	477.79
Not due	34.82	214.71	38.24	421.67
Less than 1 year	48.19	200.05	52.26	210.07
1 to 2 years	9.93	34.54	2.99	71.17
2 to 3 years	1.51	14.51	0.04	13.08
More than 3 years	0.06	12.28	0.02	7.42
<b>Total</b>	<b>94.51</b>	<b>822.57</b>	<b>93.55</b>	<b>1,201.20</b>



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

**20 Contract liabilities**

Particulars	As at	As at
	March 31, 2025	March 31, 2024 (Unaudited)
Advance from customers	81.42	123.07
<b>Total Contract liabilities</b>	<b>81.42</b>	<b>123.07</b>

**Significant changes in Contract liabilities**

The movement in advance from customers is on account of revenue recognised during the year end.

**21 Other current liabilities**

Particulars	As at	As at
	March 31, 2025	March 31, 2024 (Unaudited)
Statutory dues	12.57	5.17
Others	0.97	-
<b>Total Other current liabilities</b>	<b>13.54</b>	<b>5.17</b>

**22 Employee benefit obligations**

Particulars	As at March 31, 2025		As at March 31, 2024 (Unaudited)	
	Current	Non current	Current	Non current
Provision for gratuity (refer note 32)	2.45	2.08	2.62	3.36
Provision for compensated absences (refer note 32)	4.02	-	4.03	-
<b>Total Employee benefit obligations</b>	<b>6.47</b>	<b>2.08</b>	<b>6.65</b>	<b>3.36</b>



**STL NETWORKS LIMITED**

**Notes to Consolidated Financial Statements for the year ended March 31, 2025**

(All amounts are in ₹ crores, unless otherwise stated)

**23 Revenue from operations**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
<b>Revenue from contracts with customers</b>		
Telecom and Information Technology (IT) networks / systems integration contracts	911.22	1,236.22
Operations and maintenance services contract	267.05	216.45
	1,178.27	1,452.67
<b>Other operating income</b>		
Income from sale of services (refer note 47)	1.45	21.85
<b>Total Revenue from operations</b>	1,179.72	1,474.52

a) The contract price from contract with customers of ₹ 1,213.08 (March 31, 2024 : ₹ 1,471.63) is reduced by the consideration of ₹ 32.93 (March 31, 2024 : ₹ 13.17) towards variable component and ₹ 1.88 (March 31, 2024 : ₹ 2.78) towards financing component

b) The Group's unsatisfied (or partially satisfied) performance obligations for projects and AMC contracts can vary due to several factors such as terminations, changes in scope of contracts, periodic revaluations of the estimates or other relevant economic factors. The aggregate value of unsatisfied (or partially satisfied) performance obligations is ₹ 3,745.15 (March 31, 2024: ₹ 3,966.12) and approximately 22% is expected to be recognised in the next year and remaining over a period of two to seven years. Amount of unsatisfied (or partially satisfied) performance obligations does not include contracts with original expected duration of one year or less since the Group has applied the practical expedient in Ind AS 115.

**24 Other income**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
Profit on sale of assets	0.75	0.61
Provisions no longer required written back	5.86	-
Miscellaneous Income	0.30	0.81
<b>Total Other income</b>	6.91	1.42

**25 Other direct costs**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
Service implementation and network maintenance costs	422.39	564.69
Contract labour charges	56.44	79.86
<b>Total Other direct costs</b>	478.83	644.55

**26 Employee benefits expense**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
Salaries, wages and bonus	160.36	210.75
Contribution to provident fund (refer note below)	3.69	3.80
Gratuity expenses (refer note 32)	1.69	1.46
Employees share based payment expense (refer note 33)	1.29	1.94
Staff welfare expenses	5.60	5.05
<b>Total Employee benefit expense</b>	172.63	223.00

Above includes expenses reimbursed on shared basis refer note 28



**STL NETWORKS LIMITED****Notes to Consolidated Financial Statements for the year ended March 31, 2025**

(All amounts are in ₹ crores, unless otherwise stated)

**Defined Contribution Plans:**

i) The Parent Company has a provident fund plan which is a defined contribution plan. Contributions are made to provident fund administered by the Government in India for employees at the rate of 12% of basic salary as per local regulations. The obligation of the Parent Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

ii) The Parent Company has recognised the following expenses in the Statement of Profit and Loss for the year :

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
Contribution to Employees' Provident Fund	3.69	3.80
<b>Total</b>	<b>3.69</b>	<b>3.80</b>

Note: The subsidiaries have defined contribution plan for its employees, however, such contribution is not material.

**27 Other expenses**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
Repairs and maintenance - Building and others	2.60	2.70
Sales and marketing expenses	2.35	7.66
Rent	4.25	4.94
Insurance	4.81	7.96
Legal and professional fees	23.49	19.53
Rates and taxes	2.86	4.42
Travelling and conveyance	5.06	5.78
IT Expenses	13.66	8.48
Miscellaneous expenses	9.74	4.87
<b>Total other expenses</b>	<b>68.82</b>	<b>66.34</b>

Above includes expenses reimbursed on shared basis refer note 28.

28 Pursuant to Scheme of Arrangement the Demerged Undertaking of Sterlite Technologies Limited ("STL") is transferred to the Parent Company (refer note 48). There are various common facilities/functions with STL and the cost in respect of these facilities/functions are incurred by STL. The Parent Company reimburses the cost of these expenses to STL at actual basis or shared basis in the ratio as mutually decided by both the Companies with effect from the appointed date of April 1, 2023. These costs are included in the respective expense head as mentioned below.

**(a) Employee benefit expenses**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
Salaries, wages and bonus	10.67	16.67
Staff welfare expenses	0.18	0.62
<b>Total employee benefit expenses</b>	<b>10.85</b>	<b>17.29</b>

**(b) Other Expenses**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
Sales and marketing expenses	0.49	0.77
Rent	0.89	1.39
Legal and professional fees	1.77	2.76
Rates and taxes	0.04	0.06
IT Expenses	3.28	4.78
Miscellaneous expenses	0.17	0.27
<b>Total other expenses</b>	<b>6.64</b>	<b>10.03</b>



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

**29 Depreciation and amortisation expense**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
Depreciation of property, plant and equipment	6.43	10.85
Depreciation of right of use assets	2.32	3.89
Amortisation of intangible assets	6.11	6.04
<b>Total depreciation and amortisation expense</b>	<b>14.86</b>	<b>20.78</b>

**30 Finance costs**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
Interest on financial liabilities measured at amortised cost	57.88	57.59
Interest on Micro and Small Enterprise	10.88	4.49
Interest on lease liabilities	1.41	1.50
Bank charges	18.54	13.12
<b>Total finance cost</b>	<b>88.71</b>	<b>76.70</b>

**31 Tax expense/(credit):**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
Current tax	14.50	29.02
Deferred tax liabilities/(assets)	(5.41)	(32.80)
<b>Total tax expense</b>	<b>9.09</b>	<b>(3.78)</b>



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025  
(All amounts are in ₹ crores, unless otherwise stated)

**32 Employee benefit obligations**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
<b>Non Current</b>		
Provision for gratuity	2.08	3.36
<b>Total non-current employee benefit obligations</b>	<b>2.08</b>	<b>3.36</b>
<b>Current</b>		
Provision for gratuity	2.45	2.62
Provision for compensated absences	4.02	4.03
<b>Total current employee benefit obligations</b>	<b>6.47</b>	<b>6.65</b>

**i) Compensated Absences**

The compensated absences cover the Group's liability for sick and privilege leave. The entire amount is presented as current since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
Compensated absences not expected to be settled within the next 12 months	3.59	3.62

**ii) Post employment benefit obligation - Gratuity**

The Parent Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (amended). Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan. The Parent Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimate of expected gratuity payments.

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
Defined benefit obligation at the beginning of the year	7.28	-
Takeover pursuant to scheme of arrangement (refer note 48)	-	6.02
Current service cost	1.26	1.17
Interest cost	0.52	0.45
Actuarial (gain)/loss		
- Due to change in Financial Assumptions	0.25	0.09
- Due to Experience	(0.95)	0.66
Benefits paid	(0.97)	(1.11)
<b>Defined benefit obligations at the end of the year</b>	<b>7.39</b>	<b>7.28</b>

Changes in the fair value of plan assets are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
Fair value of plan assets at the beginning of the year	1.30	-
Takeover pursuant to scheme of arrangement (refer note 48)	-	2.19
Interest Income	0.09	0.16
Contribution by employer	2.53	0.19
Benefits paid	(0.97)	(1.11)
Return on Plan Assets, Excluding Interest Income	(0.09)	(0.13)
<b>Fair value of plan assets at the end of the year</b>	<b>2.86</b>	<b>1.30</b>

The Parent Company expects to contribute ₹ 2.45 (March 31, 2024: ₹ 2.53) to its gratuity plan in next year.



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at	As at
	March 31, 2025	March 31, 2024 (Unaudited)
	%	%
Insurer managed funds	100%	100%

Note:

For the year March 31, 2025 and March 31, 2024, the fund is maintained with Life Insurance Corporation of India (LIC) which was administered by Sterlite Technologies Limited and the same will be transferred pursuant to the Scheme referred to in Note 48 to the Parent Company's account with SBI Life Group Gratuity Trust

**Details of defined benefit obligation**

Particulars	As at	As at
	March 31, 2025	March 31, 2024 (Unaudited)
Present value of defined benefit obligation	7.39	7.28
Fair value of plan assets	(2.86)	(1.30)
<b>Net defined benefit liability</b>	<b>4.53</b>	<b>5.98</b>

The net liability disclosed above relates to funded plans are as follows:

Particulars	As at	As at
	March 31, 2025	March 31, 2024 (Unaudited)
Present value of funded obligations	7.39	7.28
Fair value of plan assets	(2.86)	(1.30)
<b>Deficit of funded plan (A)</b>	<b>4.53</b>	<b>5.98</b>
Unfunded plans (B)	-	-
<b>Total net obligation (A+B)</b>	<b>4.53</b>	<b>5.98</b>

The Parent Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Parent Company intends to continue to contribute the defined benefit plans as per the demand from Insurers

**Net employee benefit expense recognised in the statement of profit and loss:**

Particulars	For the year ended	For the year ended
	March 31, 2025	March 31, 2024 (Unaudited)
Current service cost	1.26	1.17
Interest cost	0.43	0.29
<b>Net benefit expense</b>	<b>1.69</b>	<b>1.46</b>

**Net employee benefit expense recognised in the other comprehensive income (OCI):**

Particulars	For the year ended	For the year ended
	March 31, 2025	March 31, 2024 (Unaudited)
Actuarial (gains)/losses	(0.70)	0.75
Return on Plan Assets (Excluding Interest Income)	0.09	0.12
<b>Net (income)/expense for the year recognized in OCI</b>	<b>(0.61)</b>	<b>0.87</b>



**STL NETWORKS LIMITED**  
Notes to Consolidated Financial Statements for the year ended March 31, 2025  
(All amounts are in ₹ crores unless otherwise stated)

The principal assumptions used in determining defined benefit obligation are shown below:

Particulars	As at	As at
	March 31, 2025	March 31, 2024 (Unaudited)
Discount rate	6.65%	7.21%
Expected rate of return on plan asset	6.65%	7.21%
Employee turnover	10.00%	10.00%
Expected rate of salary increase	3.00%	3.00%
Mortality rate during employment	India assumed lives mortality 2012-14(Urban)	India assumed lives mortality 2012-14(Urban)

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market

**Sensitivity Analysis**

Particulars	As at	As at
	March 31, 2025	March 31, 2024 (Unaudited)
+1% Change in discount rate	(0.42)	(0.42)
-1% Change in discount rate	0.48	0.47
+1% Change in rate of salary increase	0.47	0.46
-1% Change in rate of salary increase	(0.43)	(0.42)
-1% Change in rate of employee turnover	(0.06)	(0.05)
+1% Change in rate of employee turnover	0.07	0.05

The above sensitivity analysis on defined benefit obligation is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

**Risk exposure**

Through its defined benefit plans, the Parent Company is exposed to a number of risks, the most significant of which are detailed below:

**Asset volatility:**

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

**Changes in bond yields:**

A decrease in bond yields will increase plan liabilities.

**Future salary escalation and inflation risk:**

Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this risk.

Increases in life expectancy of employee will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

The weighted average duration of the defined benefit obligation is 6 years (March 31, 2024 - 7 years). The expected maturity analysis of gratuity is as follows:

**Maturity Analysis of defined benefit obligation:**

The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at	As at
	March 31, 2025	March 31, 2024 (Unaudited)
Projected Benefits Payable in Future Years From the Date of Reporting:		
Less than 1 year	0.93	0.68
Between 1 to 2 years	0.57	0.65
Between 2 to 5 years	2.13	2.36
Over 5 years	8.49	8.81



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

**33 Employee share based payments expense**

Sterlite Technologies Limited (Demerged Company) had established employees stock options plan, 2010 and 2016 ("ESOP Scheme") for its employees. The employee stock option plan is designed to provide incentives to the employees to deliver long-term returns and is an equity settled plan. The ESOP Scheme is administered by the Nomination and Remuneration Committee of Sterlite Technologies Limited. Participation in the plan is at the Nomination and Remuneration Committee's discretion and no individual has a contractual right to participate in the ESOP Scheme or to receive any guaranteed benefits. Options granted under ESOP scheme would vest in not less than one year and not more than five years from the date of grant of the options. The Nomination and Remuneration Committee of Sterlite Technologies Limited has approved multiple grants with related vesting conditions. Vesting of the options would be subject to continuous employment with the Group and hence, the options would vest with passage of time. In addition to this, the Nomination and Remuneration Committee may also specify certain performance parameters subject to which the options would vest. Such options would vest when the performance parameters are met.

Pursuant to the Scheme referred in Note 48, the options granted by the Demerged Company to the eligible employees that were transferred to the Group would continue to be held by such eligible employees.

Once vested, the options remain exercisable for a period of maximum five years. Options granted under the plan are for no consideration and carry no dividend or voting rights. On exercise, each option is convertible into one equity share. The exercise price is ₹ 2.00 per option.

The Group has charge ₹ 1.29 (March 31, 2024, ₹ 1.94) to the statement of profit and loss in respect of options granted under ESOP scheme.

a) The details of options granted to and held by the eligible employees of the Group are as under:

	As at March 31, 2025		As at March 31, 2024 (Unaudited)	
	Average Exercise price per share option (₹)	Number of Options	Average Exercise price per share option (₹)	Number of Options
Opening Balance	2.00	5,18,574	2.00	6,40,991
Granted during the year	2.00	3,01,241	2.00	3,06,237
Exercised during the year	2.00	(97,096)	2.00	(1,79,211)
Expired/cancelled during the year	2.00	(2,03,207)	2.00	(2,49,443)
<b>Closing Balance</b>		<b>5,19,512</b>		<b>5,18,574</b>
Vested and Exercisable		<b>53,649</b>		<b>98,295</b>

Share options outstanding at the end of the year have the following expiry date and exercise prices

Grant Date	Expiry Date	Exercise Price (INR)	Share options outstanding on March 31, 2025	Share options outstanding on March 31, 2024 (Unaudited)
March 30, 2015	June 01, 2025	2.00	3,000	3,000
July 13, 2016	June 01, 2025	2.00	570	570
July 25, 2016	August 01, 2026	2.00	1,930	2,500
July 19, 2017	August 01, 2027	2.00	3,320	5,670
July 19, 2018	August 01, 2028	2.00	9,735	12,770
October 24, 2019	October 24, 2029	2.00	14,652	30,542
July 22, 2020	July 31, 2030	2.00	25,805	48,194
July 21, 2021	July 31, 2030	2.00	27,537	46,427
January 18, 2022	January 18, 2032	2.00	2,634	19,324
July 19, 2022	July 31, 2032	2.00	38,862	82,831
July 26, 2023	July 31, 2033	2.00	1,53,440	2,66,746
August 20, 2024	August 19, 2033	2.00	1,68,594	-
January 16, 2025	January 25, 2034	2.00	69,433	-
<b>Total</b>			<b>5,19,512</b>	<b>5,18,574</b>

Weighted Average remaining contractual life of the options outstanding at the end of the period

2.22

2.46



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

**33 Employee share based payments expense**

**b) Fair Value of the options granted during the current year**

Following are the details of assumptions under the grant, related vesting conditions and fair valuation model used based on the nature of vesting

**(I) Date of Grant- August 20, 2024**

Sterlite Technologies Limited has granted 230,008 options under its ESOP scheme to the eligible employees of the Group based on following criteria and related assumptions

1 Vesting criteria - Assured Vesting of 50% Of Options in five years, provided that employees are in service as on the date of vesting

Fair Valuation Method- Black Scholes options Pricing Model

Variables	Vest 1	Vest 2	Vest 3	Vest 4
	August 20, 2025	August 20, 2026	August 20, 2027	August 20, 2028
Share price at Grant Date	135.50	135.50	135.50	135.50
Volatility	42.30%	42.30%	42.30%	42.30%
Risk Free rate	6.80%	6.80%	6.80%	6.80%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00
Life of the Option	2.50	2.50	2.50	2.50
Dividend Yield	0.30%	0.30%	0.30%	0.30%
<b>Outputs</b>				
Option Fair value	132.80	132.80	132.80	132.80
Vesting Percentage	25.00%	25.00%	25.00%	25.00%
<b>Fair Value of the option (Black Scholes Model)</b>				<b>132.80</b>

2 Vesting criteria - 25% options will vest upon meeting of revenue targets and 25% options will vest upon meeting of EBITDA targets as per agreed business plan for FY25

Fair Valuation Method - Monte carlo simulation model

Vesting of these options is dependent on the achievement of target EBITDA and Revenue during the performance of FY 2024-25 as per the criteria determined by Nomination and Remuneration Committee (i.e., as per agreed business plan for FY25 based on consolidated revenue and EBITDA). The Monte carlo model requires the following information of the company

- the historical share price and expected volatility during the performance period
- Risk free interest rate of the company
- Dividend yield based on historical dividend payments
- Estimate of EBITDA and Revenue as per approved business plan
- Threshold of 80% achievement as per business plans and capped at 100% achievement
- Linear computation based on achievement against business plans

Assumptions used are as follows:

Variables	EBITDA (25%)	Revenue (25%)
Share price at Grant Date	135.50	135.50
Volatility	44.20%	44.20%
Risk Free rate	6.80%	6.80%
Exercise Price (₹ per Option)	2.00	2.00
Life of the Option	0.73	0.73
Dividend Yield	0.30%	0.30%
<b>Fair Value of the option</b>	<b>14.20</b>	<b>13.90</b>

**(II) Date of Grant- January 15, 2025**

Sterlite Technologies Limited has granted 71,233 options under its ESOP scheme to the eligible employees of the Group based on following criteria and related assumptions

1 Vesting criteria - Assured Vesting of 100% Of Options in five years, provided that employees are in service as on the date of vesting

Fair Valuation Method- Black Scholes options Pricing Model

Variables	Vest 1	Vest 2	Vest 3	Vest 4
	January 17, 2026	January 17, 2027	January 17, 2028	January 17, 2029
Share price at Grant Date	109.40	109.40	109.40	109.40
Volatility	37.40%	37.40%	37.40%	37.40%
Risk Free rate	6.70%	6.70%	6.70%	6.70%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00
Life of the Option (years)	2.50	2.50	2.50	2.50
Dividend Yield	0.30%	0.30%	0.30%	0.30%
<b>Outputs</b>				
Option Fair value	106.9	106.90	106.90	106.90
Vesting Percentage	25.00%	25.00%	25.00%	25.00%
<b>Fair Value of the option (Black Scholes Model)</b>				<b>106.90</b>



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025  
(All amounts are in ₹ crores, unless otherwise stated)

**34 Earnings per share (EPS)**

The following table shows the computation of basic and diluted EPS

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
Profit for the period attributable to owners of the Parent Company	(21.95)	15.48
Weighted average number of equity shares in calculating basic EPS (Face value of ₹ 2.00 each)	48,79,21,086	48,79,21,086
Adjustments for calculation of diluted EPS:		
Employee stock options outstanding pursuant to the Scheme of arrangement (refer note (ii) below)	19,55,249	19,55,249
Weighted average number of equity shares in calculating diluted EPS	48,98,76,335	48,98,76,335
<b>Earnings per share (Face value of ₹ 2.00 each)</b>		
Basic	(0.65)	0.28
Diluted (refer note (i) below)	(0.65)	0.28

Note:

- i) In current year, the impact of dilutive potential equity shares is anti-dilutive, hence basic and diluted EPS is same
- ii) Pursuant to the Scheme of Arrangement, upon the scheme becoming effective, with respect to the Options granted by the Sterlite Technologies Limited ("Demerged Company") to the eligible employees of the Demerged Company (irrespective of whether they continue to be employees of the Demerged Company or become employees of the Group pursuant to this Scheme) under the ESOP Scheme, the said eligible employees shall be issued 1 (one) stock option by the Group under the new special purpose employee stock option scheme (formulated by the Group) for every 1 (one) ESOP outstanding as on the Effective Date in the Demerged Company, on terms and conditions similar to the Sterlite Technologies Limited ESOP Scheme. The Nomination and Remuneration Committee will administer the new special purpose stock option scheme. The said committee is yet to formally grant option to the eligible employees specifying terms such as exercise price, vesting conditions / period etc.

**35 The list of subsidiaries and jointly controlled entity which are included in the consolidation and the group's effective holding therein**

Name of the Subsidiaries	Effective ownership as on March 31, 2025	Effective ownership as on March 31, 2024 (Unaudited)	Country of incorporation
<b>List of subsidiaries</b>			
Sterlite Technologies UK Ventures Limited	100%	100%	United Kingdom
STL UK Holdco Limited, UK	100%	100%	United Kingdom
Clearcomm Group Limited	100%	100%	United Kingdom
<b>List of jointly controlled entity</b>			
Sterlite Conduspar Industries Ltda*	50%	50%	Brazil

Sterlite Technologies UK Ventures Limited held 100% investment in STL Edge Networks Inc. and STL Solutions Germany GmbH. These entities are not part of the demerged undertaking takeover pursuant to scheme of arrangement as approved by the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") vide order dated February 14, 2025. Accordingly, these entities have not been consolidated in this consolidated financial statements. STL Edge Networks Inc. was struck off effective November 27, 2023. Sterlite Technologies UK Ventures Limited has transferred its investment in STL Solutions Germany GmbH to STL Tech Solutions Limited, UK (which is part of the Sterlite Technologies Limited Group) vide agreement on the sale and transfer of shares dated November 29, 2024.

\* The Group has initiated the liquidation process of the jointly controlled entity and appointed the liquidator, which was approved by both the jointly controlled entity partners vide meeting dated December 12, 2024 and was approved by the local authorities on April 16, 2025.

**36 Code on social security, 2020**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Parent Company towards Provident Fund and Gratuity. The draft rules for the Code on Social Security, 2020 have been released by the Ministry of Labour and Employment on November 13, 2020. The Parent Company is in the process of assessing the additional impact on Provident Fund contributions and on Gratuity liability contributions and will complete their evaluation and give appropriate impact in the financial statements in the period in which the rules that are notified become effective.

**37 Capital and others commitments**

- a) Estimated amount of contracts remaining to be executed on capital account and not recognised for (net of advances) are ₹ Nil (March 31, 2024: ₹ Nil)

**38 Contingent liabilities**

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
<b>Disputed liabilities</b>		
(a) Excise and Customs duty*	1.53	1.53
(b) Goods and Service tax*	10.82	
	<u>12.35</u>	<u>1.53</u>

\* Includes interest and penalties, if any upto the date of demand. The above matters pertain to certain disallowances/demand raised by respective authorities.

Note:

- a) Includes contingent liabilities which relate to the activities or operations of the Demerged undertaking and transferred to the Parent Company pursuant to the scheme of arrangement (refer note 48). Sterlite Technologies Limited (the Demerged Company) is contesting these litigations on advice of the Parent Company and in case of any unfavourable outcome, the Parent Company will reimburse the demand and all the related costs to the Demerged Company.
- b) The Group has certain on-going arbitration/ litigations/ counter claims by/or against the Group with respect to certain customer contracts. The Group believes that it has sufficient and strong arguments on facts as well as on point of law including consideration of the legal opinion, wherever necessary and accordingly no contingent liability in this regards has been considered in the consolidated financial statements. Further, counter claim by a customer to the extent of ₹ 625 is considered remote based on a legal opinion.



8

**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025  
(All amounts are in ₹ crores, unless otherwise stated)

**39 Audit trail and daily backup****a. Audit Trail**

The Parent Company has used multiple accounting softwares (including the softwares maintained by Sterlite Technologies Limited for recording transactions pertaining to Global Services transferred to the Parent Company pursuant to the Scheme of arrangement referred to in Note 48) for maintaining its books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except for:

- in respect of the core accounting software, the audit trail feature is not maintained in case of modification by certain users with specific access at application level and also, in case for direct database changes; and
- another accounting software did not have the feature of recording audit trail

The audit trail feature, to the extent maintained, has not been tampered with. Further, the audit trail, to the extent maintained, has been preserved by the Parent Company as per the statutory requirements for record retention.

**b. Daily backup**

The Company has maintained proper books of account as required by law, except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India during the year.

**40 Details of dues to Micro and Small Enterprises as defined under MSME Act, 2006**

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
(a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to supplier	94.51	95.55
Interest amount due to supplier	9.38	4.49
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	15.37	4.49
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

Amount due to Micro and Small enterprises are disclosed on the basis of information available with the Parent Company regarding status of the suppliers as Micro and Small enterprises.

**41 Relationship with struck off Companies**

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

**42 Corporate social responsibilities**

As per Section 135(5) of the Companies Act 2013, every company which is required to engage in CSR, must ensure CSR spending with reference to the average net profits made during the immediately preceding three financial years, or where the concerned company has not completed a period of three financial years since its incorporation, then with reference to the immediately preceding financial year.

As per the provisions of section 135 of the Companies Act 2013, CSR is not applicable to the Parent Company as it did not meet the applicability criteria based on the audited financial statements of the immediately preceding financial year.



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

**43 Information for Consolidated Financial Statement pursuant to Schedule III of the Companies Act, 2013**

Name of the Entity in the Group	Net Assets, i.e total assets minus total liabilities	
	As % of consolidated net assets	₹
<b>Parent</b>		
<b>STL Networks limited</b>		
Balance as on March 31, 2025	128.23%	1,163.85
Balance as on March 31, 2024 (Unaudited)	120.65%	1,131.18
<b>Subsidiaries</b>		
<b>Foreign</b>		
<b>1. Sterlite Technologies UK Ventures Limited, UK</b>		
Balance as on March 31, 2025	-16.64%	(151.00)
Balance as on March 31, 2024 (Unaudited)	-13.12%	(123.01)
<b>2. STL UK Holdco Limited, UK</b>		
Balance as on March 31, 2025	-0.25%	(2.23)
Balance as on March 31, 2024 (Unaudited)	1.04%	9.79
<b>3. Clearcomm Group Limited</b>		
Balance as on March 31, 2025	-6.94%	(62.97)
Balance as on March 31, 2024 (Unaudited)	-4.21%	(39.45)
<b>Consolidation adjustments</b>		
Balance as on March 31, 2025	-4.40%	(39.93)
Balance as on March 31, 2024 (Unaudited)	-4.36%	(40.89)
<b>Total</b>		
Balance as on March 31, 2025	100%	907.72
Balance as on March 31, 2024 (Unaudited)	100%	937.62

Name of the Entity in the group	Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of	₹	As % of	₹	As % of total	₹
<b>Parent</b>						
<b>STL Networks limited</b>						
Balance as on March 31, 2025	-97%	30.92	60%	0.46	-101%	31.37
Balance as on March 31, 2024 (Unaudited)	600%	42.17	10%	(0.65)	5856%	41.52
<b>Subsidiaries</b>						
<b>Foreign</b>						
<b>1. Sterlite Technologies UK Ventures Limited, UK</b>						
Balance as on March 31, 2025	66%	(21.05)	0%	-	67%	(21.05)
Balance as on March 31, 2024 (Unaudited)	-340%	(23.90)	0%	-	-3371%	(23.90)
<b>2. STL UK Holdco Limited, UK</b>						
Balance as on March 31, 2025	21%	(6.73)	0%	-	22%	(6.73)
Balance as on March 31, 2024 (Unaudited)	-47%	(3.32)	0%	-	-468%	(3.32)
<b>3. Clearcomm Group Limited</b>						
Balance as on March 31, 2025	65%	(20.92)	0%	-	67%	(20.92)
Balance as on March 31, 2024 (Unaudited)	-325%	(22.86)	0%	-	-3224%	(22.86)
<b>Consolidation adjustments</b>						
Balance as on March 31, 2025	44%	(14.17)	40%	0.30	45%	(13.87)
Balance as on March 31, 2024 (Unaudited)	212%	14.94	90%	(5.67)	1308%	9.27
<b>Total</b>						
Balance as on March 31, 2025	100%	(31.95)	100%	0.76	100%	(31.19)
Balance as on March 31, 2024 (Unaudited)	100%	7.03	100%	(6.32)	100%	0.71



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025  
(All amounts are in ₹ crores, unless otherwise stated)

**44 Financial risk management**

The Group's principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include Investments, trade and other receivables, cash and other financial assets that arise directly from its operations.

The Group's activities expose it to market risk, credit risk and liquidity risk. The Group's senior management oversees the activities to manage these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes should be undertaken.

The Risk Management policies of the Group are established to identify and analyse the risks faced by the Group, 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 the Board to reflect changes in market conditions and the Group's activities.

Management has overall responsibility for the establishment and oversight of the Group's risk management framework. The risks to which Group is exposed and related risk management policies are summarised below -

**(a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk, such as equity price risk. Financial instruments affected by market risk mainly includes loans given and borrowings, financial assets and liabilities in foreign currency and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2025 and March 31, 2024.

The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt, derivatives and the proportion of financial instruments in foreign currencies are all constant at March 31, 2025 and March 31, 2024.

**Interest rate risk**

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Group's exposure to the risk of changes in interest rate primarily relates to the Group's debt obligations with floating interest rates.

At March 31, 2025, 91% of the Group's borrowings are at a fixed rate of interest (March 31, 2024: 79%)

Particulars	As at	As at
	March 31, 2025	March 31, 2024 (Unaudited)
Variable rate borrowings	71.94	86.07
Fixed rate borrowings	743.87	322.27
<b>Total borrowings</b>	<b>815.81</b>	<b>408.34</b>

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on borrowings at variable interest rate. With all the other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/Decrease in Basis Points	Effect on profit before tax / pre-tax equity Decrease/ (increase)
<b>As at March 31, 2025</b>		
Base Rate	+50	0.36
Base Rate	-50	(0.36)
<b>As at March 31, 2024 (Unaudited)</b>		
Base Rate	+50	0.43
Base Rate	-50	(0.43)



**STL NETWORKS LIMITED**

**Notes to Consolidated Financial Statements for the year ended March 31, 2025**

(All amounts are in ₹ crores, unless otherwise stated)

**Foreign currency risk**

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and AED. Foreign exchange risk arises from future commercial transactions and recognised assets denominated in a currency that is not the Parent Company's functional currency which is INR (₹).

As on March 31, 2025, the Group does not use derivative financial instruments or other hedging arrangements to manage its foreign currency risk as the foreign currency receivable are mainly related to trade payables. Accordingly, fluctuations in foreign exchange rates may have an impact on the Group's financial performance and position. The Group monitors its foreign currency exposures on an ongoing basis and may consider hedging strategies in the future as necessary. The Group till March 31, 2024, had a policy to hedge its exposure in the foreign currency risk and management had taken hedging instruments.

**As at March 31, 2025**

Particulars	GBP	USD	AED
<b>Financial Assets</b>			
Loan to Subsidiaries*	317.50	-	-
Trade receivable from related party*	12.54	-	-
<b>Derivative Assets</b>			
Foreign exchange forward contracts	-	-	-
<b>Net Exposure to foreign currency risk (Assets)</b>	<b>330.04</b>	-	-
<b>Financial Liabilities</b>			
Trade payable	-	1.32	0.25
<b>Net Exposure to foreign currency risk (Liabilities)</b>	-	<b>1.32</b>	<b>0.25</b>

**As at March 31, 2024 (Unaudited)**

Particulars	GBP	USD	AED
<b>Financial Assets</b>			
Loan to Subsidiaries*	258.89	-	-
Trade receivable from related party*	9.53	-	-
<b>Derivative Assets</b>			
Foreign exchange forward contracts	(142.42)	-	-
<b>Net Exposure to foreign currency risk (Assets)</b>	<b>126.00</b>	-	-
<b>Financial Liabilities</b>			
Trade payable	-	1.24	0.25
<b>Net Exposure to foreign currency risk (Liabilities)</b>	-	<b>1.24</b>	<b>0.25</b>

\* Eliminated on consolidation, however underlying foreign currency exposure remains

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in USD and AED exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material. With all the other variable held constant, the Group's profit before tax is affected through the impact on change of foreign currency rate as follows:-

Particulars	Change in GBP rate	Effect on profit before tax / pre-tax equity	Change in USD rate	Effect on profit before tax / pre-tax equity	Change in AED rate	Effect on profit before tax / pre-tax equity
<b>As at March 31, 2025</b>	+5%	16.50	+5%	0.07	+5%	(0.01)
	-5%	(16.50)	-5%	(0.07)	-5%	0.01
<b>As at March 31, 2024 (Unaudited)</b>	+5%	6.30	+5%	0.06	+5%	(0.01)
	-5%	(6.30)	-5%	(0.06)	-5%	0.01

**Price risk**

The Group's investment in non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors review and approve all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities was ₹ Nil (March 31, 2024: ₹ 0.22)

**(b) Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including balance with banks, foreign exchange transactions and other financial instruments.



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

**Trade receivables and Contract assets**

The Group has established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed taking into account its financial position, past experience and other factors, eg. credit rating and individual credit limits are defined in accordance with credit assessment. Outstanding customer receivables are regularly monitored.

The Group provides for expected credit loss of trade receivables and contract assets based on life-time expected credit losses (simplified approach). The Group assesses the expected credit loss individually for each customer. A major portion of the trade receivables and contract assets consists of government customers. The credit default risk on receivables and contract assets with government customers is considered to be remote. Disputes, if any, are assessed for indicators of increase in credit risk and, the Group considers the expected date of billing and collection, interpretation of contractual terms, project status, past history, latest discussion/ correspondence with the customers and legal opinions, wherever applicable in assessing the recoverability. The average project execution cycle ranges from 12 to 36 months based on the nature of contract and scope of services to be provided. General payment terms include mobilisation advance, progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/corporate guarantees.

The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. During the period, the Group made write-offs of ₹ Nil (March 31, 2024: ₹ Nil) trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The contract assets have substantially the same risk characteristics as trade receivables for same type of contract etc. Therefore management has concluded that the expected loss for trade receivables are at reasonable approximation for loss rates for contract assets.

**Details of Expected credit loss is as follows:**

Particulars	As at	As at
	March 31, 2025	March 31, 2024 (Unaudited)
Gross Carrying Amount - Trade Receivables	903.57	848.16
Gross Carrying Amount - Contract Assets	1,294.25	1,497.72
Expected credit losses - Trade Receivables	(2.32)	(2.32)
Expected credit losses - Contract Assets	(61.00)	(61.00)
<b>Carrying amount of trade receivable (net of provision)</b>	<b>901.25</b>	<b>845.84</b>
<b>Carrying amount of contract assets (net of provision)</b>	<b>1,233.25</b>	<b>1,436.72</b>

**Reconciliation of loss allowance provision of trade receivables and contract assets:**

Particulars	Contract Assets	Trade Receivables
Loss Allowance as on April 01, 2023	-	-
Takeover pursuant to scheme of arrangement (refer note 18)	(61.00)	(2.32)
Increase in loss allowance recognised in profit or loss during the year	-	-
Loss allowance utilised during the year	-	-
<b>Loss Allowance as on March 31, 2024</b>	<b>(61.00)</b>	<b>(2.32)</b>
Increase in loss allowance recognised in profit or loss during the year	-	-
Loss allowance utilised during the year	-	-
<b>Loss Allowance as on March 31, 2025</b>	<b>(61.00)</b>	<b>(2.32)</b>

**Financial assets and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The credit default risk on balances with banks and financial institutions is considered to be negligible.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2025 and March 31, 2024 is the carrying amounts of each class of financial assets.



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

**(v) Liquidity risk**

Liquidity risk is the risk that the Group 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 Group's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Group requires funds both for short term operational needs as well as for long term investment programs. The Group 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 current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities which will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period for trade payables is about 60 - 180 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	Repayable on demand	upto 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
<b>As at March 31, 2025</b>						
Borrowings	-	753.90	41.48	36.61	-	831.99
Other financial liabilities	-	24.65	-	-	-	24.65
Trade payables	-	917.08	-	-	-	917.08
Lease liability	-	3.60	3.63	12.12	1.35	20.72
	-	<b>1,699.23</b>	<b>45.13</b>	<b>48.73</b>	<b>1.35</b>	<b>1,794.44</b>
<b>As at March 31, 2024</b>						
Borrowings	-	297.47	42.91	78.08	-	418.46
Other financial liabilities	-	17.75	-	-	-	17.75
Trade payables	-	1,294.75	-	-	-	1,294.75
Lease liability	-	3.84	3.48	9.93	4.46	21.71
	-	<b>1,613.81</b>	<b>46.39</b>	<b>88.01</b>	<b>4.46</b>	<b>1,752.67</b>

The Parent Company is in the process of obtaining the separate working capital and other borrowing limits from banks and financial institutions consequent to the Scheme of Arrangement (refer note 48). Sterlite Technologies Limited (the Demerged Company) has confirmed to provide continued support in respect of the working capital limits and loans being transferred to the Group as per the Scheme referred to in Note 48 to maintain the Group's operational continuity till the time sufficient sanctioned borrowing limits are set up. If need arises, Sterlite Technologies Limited will also provide loans / corporate guarantee to the Group within the limits as approved by its Board of Directors.

**45 Capital management**

For the purpose of the Group's capital management, capital includes issued equity capital (including Share capital suspense account) and all other equity reserves attributable to the shareholders of the Parent Company. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating, healthy capital ratios in order to support its business and maximise shareholder value and optimal capital structure to reduce cost of capital.

The Group manages its capital structure to ensure it remains adequately funded to support its operations and growth strategy. The Group's current borrowings are not subject to any financial covenant requirements, providing flexibility in capital management decisions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio optimum. The Group includes within net debt total borrowings and lease liabilities net of cash and cash equivalent.

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
Interest Bearing Loans and borrowings (including interest accrued but not due)	815.81	408.34
Lease liabilities	16.65	18.76
Less: Cash and Cash equivalents	(212.13)	(57.13)
<b>Net debt</b>	<b>620.33</b>	<b>369.97</b>
Equity share capital (including Share capital suspense account)	97.58	97.58
Other equity	810.14	840.04
<b>Total capital</b>	<b>907.72</b>	<b>937.62</b>
<b>Capital and net debt</b>	<b>1,528.05</b>	<b>1,307.59</b>
Gearing ratio	40.60%	28.29%

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2025 and March 31, 2024 respectively.



**STL NETWORKS LIMITED**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2025**  
 (All amounts are in ₹ crores, unless otherwise stated)

46 Fair value

a) Financial Instruments by Category - Classifications

Particulars	As at March 31, 2025			As at March 31, 2024 (Unaudited)		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial assets</b>						
Trade receivables	-	-	901.25	-	-	845.84
Loans	-	-	-	-	-	2.58
Cash and cash equivalents	-	-	212.15	-	-	57.13
Other financial assets	-	-	11.71	-	-	35.20
Foreign exchange forward contracts	-	-	-	0.68	-	-
<b>Total financial assets</b>	-	-	<b>1,125.09</b>	<b>0.68</b>	-	<b>940.75</b>
<b>Financial liabilities</b>						
Borrowings	-	-	815.81	-	-	408.34
Trade Payables	-	-	917.08	-	-	1,294.75
Deposits from vendors	-	-	2.61	-	-	2.59
Other Financial Liabilities	-	-	6.67	-	-	15.36
<b>Total financial liabilities</b>	-	-	<b>1,742.17</b>	-	-	<b>1,720.94</b>

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the Ind AS. An explanation of each level follows underneath the table.

Particulars	Fair value measurement using			
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets and liabilities measured at fair value - recurring fair value measurements</b>				
Foreign exchange forward contracts				
As at March 31, 2025				
As at March 31, 2024 (Unaudited)	0.68	-	0.68	-

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting year. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers among Level 1, Level 2 and Level 3.

c) Valuation technique used to determine fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. There are no derivatives contracts as on March 31, 2025. The foreign currency forwards - the present value of the future cash flows based on the forward exchange rates as on March 31, 2024.

d) Valuation processes

The finance department of the Group includes a team that oversees the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

Involvement of external valuers is decided by the finance team on a case to case basis. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained.

The management assessed that carrying value of cash and cash equivalents, trade receivables, trade payables, other current financial assets and other current financial liabilities approximate their fair value largely due to the short-term maturities of these instruments. Further the loans given are loans repayable on demand. The management has further assessed that carrying amounts of borrowings availed approximate their fair value largely due to the interest rates being variable or increase of fixed rate borrowings movements in interest rates from the recognition of such financial instrument till period end, not being material.



**STL NETWORKS LIMITED**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2025**  
 (All amounts are in ₹ crores, unless otherwise stated)

**47 Related party transactions**

**(A) Name of related party and nature of its relationship:**

**(a) Related parties where control exists**

- (i) Holding Company**  
 Sterlite Technologies Limited (Immediate Holding Company up to March 31, 2025)  
 Twin Star Overseas Limited, Mauritius (Intermediate holding company and from March 31, 2025 Immediate holding company)  
 Vedania Incorporated, Bahamas (Ultimate holding company)

**Ultimate Controlling Party**

Pursuant to the Scheme referred to in Note 48 which is effective on the close of business hours on March 31, 2025, STL Networks Limited is a majority-owned and controlled subsidiary of Twin Star Overseas Limited (Twin Star). Vedania Incorporated, Bahamas ("Vedania") holds 100% of the share capital and 100% of the voting rights of Twin Star. Vedania is 100% beneficially owned and controlled by the Anil Agarwal Discretionary Trust ("Trust"). Mr. Anil Agarwal is the protector and the one of the beneficiaries of the Trust. Twin Star Overseas Limited, Vedania Incorporated, Bahamas, and Anil Agarwal Discretionary Trust do not produce Group financial statements."

**(b) Other related parties under IND AS-24 "Related party disclosures" with whom transactions have taken place during the year**

**(i) Fellow Subsidiaries**

- Hindustan Zinc Limited  
 STL Digital Limited (earlier "Sterlite Tech Connectivity Solutions Limited")  
 Sterlite Tech Cables Solutions Ltd  
 Vedania Limited  
 Talwandi Sabo Power Limited

**(ii) Jointly controlled entities**

- Sterlite Conduspar Industrial Ltda (50:50 jointly controlled entity between Sterlite Technologies UK Ventures Limited and Conduspar Condutores Elétricos Limitada)

**(iii) Key management personnel (KMP)**

- Mr. Ankit Agarwal - Director (Vice Chairman from May 16, 2025)  
 Mr. Pankaj Malik - Director (from February 14, 2025 upto May 16, 2025)  
 Mr. Pankaj Malik - CEO and Whole Time Director (from May 16, 2025)  
 Mr. Badi Gomatam - Director (upto April 14, 2023)  
 Mr. Sumit Mukherjee - Director (upto April 14, 2023)  
 Mr. Pankaj Aggarwal - Director (from April 14, 2023 upto August 31, 2023)  
 Mr. Pravin Chetian - Director (from April 14, 2023 upto February 14, 2025)  
 Mr. Gopal Chandra Rastogi - Director (from August 31, 2023 upto May 16, 2025)

**(c). Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year**

**(i) Key management personnel (KMP)**

- Ms. Meenal Banstl - Company Secretary (from March 06, 2025)  
 Mr. Pankaj Malik - CEO and Whole Time Director (from May 16, 2025)  
 Mr. Gopal Chandra Rastogi - Chief Financial Officer (from May 16, 2025)



**STL NETWORKS LIMITED**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2025**  
 (All amounts are in ₹ crores, unless otherwise stated)

(B) The transactions with related parties during the period and their outstanding balances are as follows:-

Sr. no	Particulars	KMP		Holding Company		Fellow Subsidiaries		Jointly controlled entity		Total	
		March 31, 2025	March 31, 2024 (unaudited)	March 31, 2025	March 31, 2024 (unaudited)	March 31, 2025	March 31, 2024 (unaudited)	March 31, 2025	March 31, 2024 (unaudited)	March 31, 2025	March 31, 2024 (unaudited)
	<b>Transaction during the period</b>										
1	Remuneration (refer note (D) below)	4.41	4.96	-	-	-	-	-	-	4.41	4.96
2	Revenue from operations	-	-	-	-	5.42	8.61	-	-	5.42	8.61
3	Other operating income	-	-	1.40	13.71	-	7.91	-	-	1.40	21.62
4	Purchase of goods & services	-	-	18.76	17.34	55.68	48.08	-	-	74.44	65.42
5	Corporate allocation expenses	-	-	17.49	27.32	-	-	-	-	17.49	27.32
	<b>Outstanding Balances</b>										
Sr. no	Particulars	KMP		Holding Company		Fellow Subsidiaries		Jointly controlled entity		Total	
		March 31, 2025	March 31, 2024 (unaudited)	March 31, 2025	March 31, 2024 (unaudited)	March 31, 2025	March 31, 2024 (unaudited)	March 31, 2025	March 31, 2024 (unaudited)	March 31, 2025	March 31, 2024 (unaudited)
1	Loans	-	-	-	-	-	-	-	-	-	-
2	Investment	-	-	-	-	-	-	-	-	-	-
3	Trade receivables	-	-	-	-	3.66	1.76	-	-	3.66	1.76
4	Trade payables	-	-	13.58	30.49	25.06	63.84	-	-	38.64	94.33

(C) Disclosure in respect of material related party transaction during the period ended:

Sr.no.	Particulars	Relationship	March 31, 2025	March 31, 2024 (unaudited)
<b>1</b>	<b>Remuneration (refer note (D) below)</b>			
	Mr. Pankaj Malik	KMP	0.56	-
	Mr. Gopal Chandra Rastogi	KMP	0.96	0.75
	Mr. Praveen Chohan	KMP	2.87	3.52
	Mr. Pankaj Aggarwal	KMP	-	0.69
	Ms. Meenal Bansal	KMP	0.02	-
	<b>Total</b>		<b>4.41</b>	<b>4.96</b>
<b>2</b>	<b>Revenue from operations</b>			
	Vedanta Limited			
	Talwandi Sahn Power Limited	Fellow Subsidiary	0.24	-
	Hindustan Zinc Limited	Fellow Subsidiary	0.71	-
	<b>Total</b>		<b>5.42</b>	<b>8.61</b>



**STL NETWORKS LIMITED**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2025**  
 (All amounts are in ₹ crores, unless otherwise stated)

Sr.no.	Particulars	Relationship	March 31, 2025	March 31, 2024 (unaudited)
<b>3</b>	<b>Other operating income</b>			
	STL Digital Limited	Fellow Subsidiary		7.91
	Sterlite Technologies Limited	Holding Company	1.40	13.71
	<b>Total</b>		<b>1.40</b>	<b>21.62</b>
<b>4</b>	<b>Purchase of goods &amp; services</b>			
	Sterlite Technologies Limited	Holding Company	18.76	17.34
	STL Digital Limited	Fellow Subsidiary	7.41	1.85
	Sterlite Tech Cables Solutions Limited	Fellow Subsidiary	48.27	-16.23
	<b>Total</b>		<b>74.44</b>	<b>65.42</b>
<b>5</b>	<b>Corporate allocation</b>			
	Sterlite Technologies Limited (refer note 28)	Holding Company	17.49	27.32
	<b>Total</b>		<b>17.49</b>	<b>27.32</b>

**(D) Compensation of Key management personnel of the Group**

Particulars	March 31, 2025	March 31, 2024 (unaudited)
Short term employee benefits	4.23	4.55
Employee stock option	0.18	0.41
<b>Total compensation paid to key management personnel</b>	<b>4.41</b>	<b>4.96</b>

**Notes:**

- The remuneration paid to the KMPs were paid to them in the capacity as employees of Global Services Business Division of Sterlite Technologies Limited which was transferred to the Parent Company pursuant to the Scheme referred to in note 48
- Above compensation is excluding post employment benefit expense. Liability for post employment benefits is provided on actuarial basis for the Group as a whole, the amount pertaining to the individual is not ascertainable and therefore not included above.

**(E) Terms and Conditions**

- All outstanding balances are unsecured and repayable in cash.
- The transactions with the related parties disclosed above are net of goods and services tax (as applicable)
- The outstanding balances of related parties disclosed above are gross of goods and services tax (as applicable)
- The outstanding balances receivable for Loans/advance receivables and investment in equity shares from related parties are net of impairment loss
- The outstanding balances receivable for Loans/advance receivables and investment in equity shares from jointly controlled entity are net of impairment loss



## STL NETWORKS LIMITED

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

### 48 Scheme of arrangement

The Board of Directors of Sterlite Technologies Limited and STL Networks Limited at its meeting held on May 17, 2023 had considered and approved, subject to necessary approvals, a Scheme of Arrangement ("Scheme") between Sterlite Technologies Limited (the "Demerged Company") and STL Networks Limited (the "Resulting Company" or "Parent Company") and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

The Scheme, inter alia, provides for the following:

a) Transfer by way of demerger of the Demerged Undertaking consisting of Global Services Business of the Demerged Company to the Resulting Company w.e.f. April 01, 2023, the appointed date, on a going concern basis and consequent issuance of equity shares by the Resulting Company to the shareholders of the Demerged Company; and

b) Various other matters consequential or otherwise integrally connected therewith including the reorganisation of the share capital of the Resulting Company.

The equity shares of the Resulting Company are to be listed on BSE Limited and National Stock Exchange of India Limited (collectively, the "Stock Exchanges"), post the effectiveness of the Scheme. The shareholders of the Demerged Company will be allotted shares in the Resulting Company in the same proportion as their holding in the Demerged Company.

The Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") has approved the Scheme vide order dated February 14, 2025. Further on March 18, 2025, the Parent Company received a certified true copy of the order dated February 14, 2025 ("Order") passed by the Hon'ble NCLT approving the Scheme, which was filed with the Registrar of Companies (ROC) making the Scheme effective on close of business hours on March 31, 2025. These Financial Statements for the period ended March 31, 2025 have been prepared by considering the impact of demerger.

The Parent Company was not required to prepare consolidated financial statements upto March 31, 2024 as it did not have any subsidiaries, associates or jointly controlled entities. Year ended March 31, 2025 is the first year in which the consolidated financial statements are prepared by the Parent Company as three subsidiaries and one jointly controlled entity has been transferred to the Parent Company pursuant to the scheme of arrangement. The Parent Company has accounted for the demerger under the pooling of interest method by applying the principles of Appendix C to Ind AS 103, Business Combination. This requires Parent Company to account as if business combination had occurred from beginning of preceding period. The directly identifiable assets, liabilities, income and expenditure of the Demerged Undertaking are based on the books of accounts and underlying accounting records. All other assets, liabilities, income and expenditure have been allocated on the basis as mentioned in the Scheme or as approved by the Board of Directors.

The transactions pertaining to the Demerged Undertaking of Sterlite Technologies Limited from the appointed date (i.e. April 1, 2023) upto the effective date of the Scheme (i.e. March 31, 2025) have been made by Sterlite Technologies Limited on behalf of the Parent Company as per the Scheme.

250,000 equity shares of ₹ 2.00 each of the Parent Company amounting to ₹ 0.10 held by Sterlite Technologies Limited stands cancelled on the Scheme become effective. Consequently, the Parent Company has ceased to be subsidiary of Sterlite Technologies Limited as on March 31, 2025.

Pursuant to the Scheme, the Parent Company has allotted equity shares to the shareholders of Sterlite Technologies Limited whose name appeared in the register of members as on the record date i.e. April 24, 2025, one equity share of ₹ 2.00 each in the Parent Company as fully paid up for every equity share of ₹ 2.00 each held by them in Sterlite Technologies Limited. The equity share capital of ₹ 97.58 pending allotment as on March 31, 2025, has been disclosed as Equity Share Capital Suspense Account.

The Group has complied with the aforesaid Scheme of Arrangement for Demerger and the effect of such Scheme has been accounted for in these consolidated financial statements in accordance with the Scheme and in accordance with the Indian Accounting Standards.



8

**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

Net assets takeover pursuant to scheme of arrangement as on April 01, 2023

Particulars	As on April 01, 2023
<b>Assets</b>	
<b>I Non-current assets</b>	
Property, plant and equipment	26.36
Right-of-use assets	20.53
Goodwill	64.69
Other intangible assets	38.57
Financial assets	
(i) Investment	0.20
(ii) Loans	13.27
(iii) Other financial assets	4.30
Deferred tax assets (net)	51.71
Other non-current assets	38.58
<b>Total non-current assets</b>	<b>250.21</b>
<b>II Current assets</b>	
Inventories	51.47
Financial assets	
(i) Trade receivables	813.33
(ii) Cash and cash equivalents	52.09
(iii) Other financial assets	39.92
Contract assets	1,641.90
Other current assets	186.44
<b>Total current assets</b>	<b>2,785.15</b>
<b>Total assets</b>	<b>3,043.36</b>
<b>Liabilities</b>	
<b>I Non-current liabilities</b>	
Financial liabilities	
(i) Borrowings	112.36
(ii) Lease liabilities	22.45
(iii) Other financial liabilities	3.73
Employee benefit obligations	1.37
Deferred tax liabilities (net)	9.04
<b>Total non-current liabilities</b>	<b>148.95</b>
<b>II Current liabilities</b>	
Financial liabilities	
(i) Borrowings	604.96
(ii) Lease liabilities	1.34
(iii) Trade payables	
(a) total outstanding dues of micro and small enterprises	104.43
(b) total outstanding dues other than (iii)(a) above	1,050.37
(iv) Other financial liabilities	16.10
Contract liabilities	145.00
Other current liabilities	29.33
Income tax liabilities	1.69
Employee benefit obligations	6.30
<b>Total current liabilities</b>	<b>1,959.52</b>
<b>Total liabilities</b>	<b>2,108.47</b>
<b>Net Assets acquired</b>	<b>934.89</b>
Less : Exchange difference on translation of financial statements of foreign operations	0.80
Less : Non controlling interest	4.13
Less : Equity shares to be allotted pursuant to the Scheme of Arrangement (refer note 15)	(97.58)
Add: Cancellation of equity shares pursuant to Scheme of Arrangement (refer note 15)	0.10
<b>Capital Reserve</b>	<b>832.48</b>



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025  
(All amounts are in ₹ crores, unless otherwise stated)

**49 Interests in jointly controlled entity****Jointly controlled entity - Sterlite Conduspar Industrial Ltda**

Set out below are the details of jointly controlled entity of the Group, not considered material by the Group. The Group has a 50.00% (March 31, 2024: 50.00%) interest in Sterlite Conduspar Industrial Ltda, a jointly controlled entity engaged in the manufacturing of optical fibre cables of some of the Group's main product lines in Brazil. The Group's interest in Sterlite Conduspar Industrial Ltda ('jointly controlled entity') is accounted for using the equity method in the Consolidated Financial Statements. Summarised financial information of the jointly controlled entity are set out below:

Particulars	As at March 31, 2025 (Unaudited)	As at March 31, 2024 (Unaudited)
Loss for the year	-	(3.00)
Other comprehensive income	-	-
Total comprehensive income for the year	-	(3.00)
Group's share of loss for the year	-	(1.50)
Unrecognised share of profit / (loss) of jointly controlled entity	-	-

As per paragraph 39 of Ind AS 28, the group has not recognised further loss of jointly controlled entity, as the equity investment in jointly controlled entity is reduced to zero.

The Group has initiated the liquidation process of the jointly controlled entity and appointed the liquidator, which was approved by both the jointly controlled entity partners vide meeting dated December 12, 2024 and was approved by the local authorities on April 16, 2025.

**50 Disclosure for non-controlling interests**

This information is based on amounts before inter-company eliminations.

Financial information of subsidiaries that have material non-controlling interests is provided below.

Proportion of equity interest held by non-controlling interests:

Name of the Company	Principal activity	Effective ownership as on March 31, 2025	Effective ownership as on March 31, 2024	Country of incorporation
Clearcomm Group Limited*	Fiber Network Services	-	-	United Kingdom

\*During the year ended March 31, 2024, the Company has acquired remaining 20% stake in Clearcomm without payment of consideration as agreed as per the share purchase agreement dated July 21, 2021.

**Summarised statement of profit and loss for the period ended:**

	March 31, 2024 Clearcomm (Unaudited)
Total income	12.04
Profit / (loss) for the year	(35.37)
Total comprehensive income	(32.69)
Other Comprehensive income - Attributable to non-controlling interests	-
Total comprehensive income - Attributable to non-controlling interests	(6.45)
Dividends paid to non-controlling interests	-



**STL NETWORKS LIMITED**  
**Notes to Consolidated Financial Statements for the year ended March 31, 2025**

**Summarised balance sheet as at March 31, 2024:**

	March 31, 2024 Clearcomm (Unaudited)
Non current assets	55.79
Current assets	24.61
<b>Total Asset (A)</b>	<b>80.40</b>
Non current liability	(84.84)
Current liability	(7.16)
<b>Total Liability (B)</b>	<b>(92.00)</b>
<b>Net assets (A+B)</b>	<b>(11.60)</b>
Accumulated NCI	(2.32)

**Summarised cash flows**

	March 31, 2024 Clearcomm
Cash inflow / (outflow) from operating activities	(29.79)
Cash inflow / (outflow) from investing activities	(0.05)
Cash inflow / (outflow) from financing activities	29.79
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(0.05)</b>

**Transactions with non-controlling interests**

During the year ended March 31, 2024, the Company has acquired remaining 20% stake in Clearcomm without payment of consideration as agreed as per the share purchase agreement dated July 21, 2021

**Particulars**

	March 31, 2024
Carrying amount of non-controlling interests acquired (A)	(2.32)
Consideration paid to non-controlling interests (B)	-
Incidental costs related to acquisition of non-controlling interests (C)	-
<b>Excess of consideration paid recognised in retained earnings within equity (A-B-C)</b>	<b>(2.32)</b>



**STL NETWORKS LIMITED**

Notes to Consolidated Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores, unless otherwise stated)

**51 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Parent Company. Board of Directors of the Parent Company are the chief operating decision makers. The Group operates only in one Business Segment i.e Global Services Business consisting of providing comprehensive solutions across fiber network services, system integration, IT infrastructure management, setting up of data center operations, Network Operations Center (NOC) and Security Operations Center (SOC).

**Geographical Information**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024 (Unaudited)
<b>Revenue from operations</b>		
- Within India	1,059.90	1,302.93
- Outside India (United Kingdom)	119.82	171.59
<b>Total revenue as per statement of profit and loss</b>	<b>1,179.72</b>	<b>1,474.52</b>

Particulars	As at March 31, 2025	As at March 31, 2024 (Unaudited)
<b>Non-current assets</b>		
- Within India	92.40	110.58
- Outside India (United Kingdom)	99.05	102.66
<b>Total</b>	<b>191.45</b>	<b>213.24</b>

Non-current assets for this purpose consist of property, plant and equipment, intangible assets including Goodwill and other non-current assets (excluding financial assets, income tax and deferred tax).

**Revenue from customers which is individually more than 10 percent of the Group's total revenue:**

During current year, the Group has earned revenue of approximately ₹ 539.94 (March 31, 2024 - ₹ 676.10) from two customers (March 31, 2024: three customers) which individually represent more than 10% of the Group's total revenue.

As per our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration number : 012754N/NS00016



Sachin Parekh  
Partner  
Membership Number : 107038

Place: Mumbai  
Date: June 30, 2025

For and on behalf of the board of directors of  
STL Networks Limited



Ankit Agarwal  
Vice Chairman &  
Non Executive Director  
DIN : 03344202

Place: London, United Kingdom  
Date: June 11, 2025



Pankaj Malik  
CEO and Whole Time Director  
DIN : 10949402

Place: Gurugram  
Date: June 11, 2025



Gopal Rastogi  
Chief Financial Officer

Place: Gurugram  
Date: June 11, 2025



Meenal Bansal  
Company Secretary  
M.No: 35091

Place: Gurugram  
Date: June 11, 2025

