



## STL NETWORKS LIMITED

STL Networks Limited (“**Resulting Company**” or “**Company**”) was incorporated in India (Pune, Maharashtra) as a public company under the Company Act, 2013 pursuant to a certificate of incorporation dated March 26, 2021, issued by the Registrar of Companies, Pune. For further details, see “*Our History and Certain Other Corporate Matters*” on page 119.

**Corporate Identity Number:** U72900PN2021PLC199875

**Registered Office:** 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra, India, 411001

**Corporate Office:** Capital Cyberscape, 15<sup>th</sup> & 16<sup>th</sup> Floor, Sector - 59, Gurugram, Haryana, 122102

**Tel. No.** 0124 – 4561850; **E-mail:** investors@inveniatech.com; **Website:** www.inveniatech.com

**Contact Person:** Ms. Meenal Bansal, Company Secretary and Compliance Officer

**PROMOTERS OF THE COMPANY: MR. ANIL AGARWAL AND TWIN STAR OVERSEAS LIMITED**

### **INFORMATION MEMORANDUM FOR LISTING OF 48,79,21,086 EQUITY SHARES OF A FACE VALUE OF ₹ 2 EACH PURSUANT TO THE SCHEME.**

**NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM.**

#### **GENERAL RISK**

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of “*Risk Factors*” beginning on page 15.

#### **COMPANY’S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that, this Information Memorandum contains all information with regard to our Company, which is material in the context of listing of the Equity Shares pursuant to the Scheme, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held, and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

#### **LISTING**

The Equity Shares of our Company are proposed to be listed on the BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”). For the purposes of this listing, the Designated Stock Exchange is NSE. Our Company has submitted this Information Memorandum with BSE and NSE. The Information Memorandum, once finalized, shall be made publicly available on the website of BSE (www.bseindia.com) and the NSE (www.nseindia.com), and through our website on www.inveniatech.com. Company has received in-principle approval for listing from the BSE and the NSE on July 17, 2025 and July 15, 2025, respectively. Further, the Company has been granted an exemption from the application of Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957, as amended, (“**SCRR**”) by SEBI by way of letter no. SEBI/HO/CFD/CFD-RAC-DCR1/P/OW/2025/22500/2 dated August 21, 2025.

#### **REGISTRAR TO THE COMPANY**



##### **Kfin Technologies Limited**

Selenium, Tower B,  
Plot No - 31 and 32,  
Financial District  
Nanakramguda, Serilingampally  
Rangareddi – 500032,  
Hyderabad, Telangana, India  
**Tel:** 18003094001

**Investor grievance E-mail:** einward.ris@kfintech.com

**Website:** www.kfintech.com

**Contact Person:** Mr. Nagesh Govu

**SEBI Registration No:** INR000000221

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Information Memorandum uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings ascribed to such terms herein and references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification will include any amendments or reenactments thereto, from time to time.*

*Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Possible Tax Benefits”, “Industry Overview”, “Our Business”, “Key Regulations and Policies”, “Risk Factors”, “Financial Statements”, “Outstanding Litigation and Material Developments” and “Scheme of Arrangement”, shall have the meaning ascribed to such terms in those respective sections.*

#### Company and Scheme Related Terms

| Term                                                | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AOA/ Articles of Association                        | The articles of association of our Company, as amended, from time to time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Appointed Date                                      | April 1, 2023                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Auditor/ Statutory Auditor                          | Price Waterhouse Chartered Accountants LLP bearing firm registration number 012754N/N500016 and having its office at 7th Floor, Tower A – Wing 1, Business Bay, Airport Road, Yerwada, Pune – 411 006, Maharashtra, India                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Board of Directors/ the Board/ our Board            | The board of directors of our Company, including all duly constituted Committees thereof                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Central Government/ Government/ Government of India | The Government of India                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Companies Act, 2013 / Companies Act                 | The Companies Act, 2013, along with the relevant rules, clarifications and modifications made thereunder.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Company Secretary & Compliance Officer              | Ms. Meenal Bansal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Demerged Undertaking                                | <p>means the business, undertaking, and properties, of the Demerged Company of whatsoever nature and kind and wheresoever situated, in each case, forming part of or necessary or advisable for the conduct of, or the activities or operations of, the Global Services Business on a going concern basis and shall mean and include (without limitation):</p> <p>(a) all immovable properties (list of such immovable properties pertaining to the Global Services Business is more particularly set-out in Schedule I hereto) and rights thereto i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold leave and licensed, right of way, tenancies or otherwise) including roads, drains, civil works, foundations for civil works, buildings, offices, etc., which immovable properties exclusively or predominantly form part of the Global Services Business or which are determined by the Board as being necessary for conduct of, or the activities or operations of, the Global Services Business and all documents (including deeds or receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest, benefits and interests of agreements for lease or license or other rights to use of premises, in connection with the said immovable properties;</p> <p>(b) all assets, as are movable in nature and which exclusively or predominantly form part of the Global Services Business, whether present or future, tangible or intangible. in possession or not, corporeal or incorporeal, in each case, wherever situated (including plant and machinery, capital work in progress, furniture, fixtures, fixed assets, contingent assets, computers, air conditioners, appliances, accessories, office equipment, communication facilities, installations, vehicles, inventories, stock in trade, stores and spares, packing material, raw material, tools and plants) actionable claims, earnest monies, security deposits paid or deemed to have been paid and sundry debtors, prepaid expenses, bills of exchange, promissory notes, financial assets, investment and shares in entities/ branches/ offices undertaking the Global Services Business in India or overseas, outstanding loans and advances, recoverable in cash or in kind or for value to be received, receivables, funds, cash and bank balances and deposits including accrued interest thereto with any appropriate authority, banks, customers and other persons, the benefits of any bank guarantees and performance guarantees;</p> |

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|  | <p>(c) all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, pre-qualifications, eligibility criterion, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, tax deferrals, incentives, (including but not limited to benefits of all tax holiday, tax relief including under the Income Tax Act, 1961 such as brought forward accumulated tax losses, unabsorbed depreciation, etc.), tax related assets and credits including but not limited to GST input credits, CENVAT credits, advance tax, tax deducted at source, exemptions and other benefits (in each case including the benefit of any applications made for the same), relatable to the Global Services Business, if any, liberties and advantages, approval for commissioning of project and other licenses or clearances granted/ issued/ given by any Appropriate Authority, organizations or companies necessary for conduct of, or the activities or operations of, the Global Services Business or in connection therewith including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that which exclusively or predominantly form part of the Global Service Business;</p> <p>(d) all contracts, agreements, request for proposals, purchase orders/ service orders, operation and maintenance contracts, memoranda of understandings, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, bids, tenders, approved tenders, ongoing participated tenders, open tenders, open order books, tariff policies, expressions of interest, letters of intent, hire and purchase arrangements, procurement agreements, services agreements, lease/ license agreements, tenancy rights, agreements/ panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/ manufacturer of goods/ service providers, other arrangements, undertakings. deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether vested or potential and written, oral or otherwise and all rights, title, interests, claims and benefits thereunder which exclusively or predominantly form part of the Global Services Business;</p> <p>(e) all rights to use and avail telephones, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by the Demerged Company which exclusively or predominantly form part of the Global Services Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company which exclusively or predominantly form part of the Global Services Business;</p> <p>(f) Demerged Undertaking Liabilities;</p> <p>(g) Demerged Undertaking IP;</p> <p>(h) all books, records, files, papers, engineering and process information, records of standard operating procedures, computer programmes along with their licenses, drawings, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records whether in physical or electronic form, in connection with or relating to the Global Services Business of the Demerged Company;</p> <p>(i) Transferred Employees;</p> <p>(j) Investment in subsidiaries, joint ventures, associates, branches etc in India, UK, or any such jurisdiction whether existing or which would come into existence either prior to or after the Appointed Date for carrying on the Global Services Business whether in India or outside;</p> <p>(k) Right to use the work experience, qualifications, capabilities, legacies and track record with national &amp; international customers/companies, government/ non - government agencies / bodies, contracts with clients and with vendors, (including technical parameters, past performance, track record, financial credentials such profitability, turnover, net-worth, financials, Incorporation History, etc.) of the Demerged Company pertaining to GSB, acquired by reason of the completion of various projects and works, certificates of completion of projects or works issued by the clients and the right to use all these past</p> |
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|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                       | <p>credentials for qualifying for any tender or project in the future.</p> <p>It is clarified that any question that may arise as to whether a specific asset (tangible or intangible) or any liability pertains or does not pertain to the Global Services Business or whether it arises out of the activities or operations of the Global Services Business or not, shall be decided by the Board of the Demerged Company or any committee thereof empowered by the Board.</p> |
| Depositories                                          | A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.                                                                                                                                                                                                                                                                                                                                        |
| Designated Stock Exchange                             | National Stock Exchange of India Limited                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Director(s)                                           | Any or all the directors on our Board, as may be appointed from time to time                                                                                                                                                                                                                                                                                                                                                                                                     |
| Effective Date                                        | Close of business hours of March 31, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Eligible Shareholders                                 | Eligible holder(s) of the equity shares of STL as on the Record Date                                                                                                                                                                                                                                                                                                                                                                                                             |
| Equity Shares                                         | Unless otherwise specified, fully paid-up equity shares of our Company of face value of Rs. 2 each                                                                                                                                                                                                                                                                                                                                                                               |
| ESOP Scheme                                           | In accordance with Clause 10 of the Scheme, the new special purpose Employee Stock Options Scheme of the Company approved by the Board of Directors on March 06, 2025, and by the Shareholders on March 21, 2025                                                                                                                                                                                                                                                                 |
| Financial Statements                                  | Audited standalone financial statements of our Company for the last 3 financial years and consolidated financial statement for the year ended March 31, 2025 along with audit report                                                                                                                                                                                                                                                                                             |
| “Financial Year” or “Fiscal” or “Fiscal Year” or “FY” | Period of 12 months ended March 31 of that particular year                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Global Services Business                              | The division of the Demerged Company engaged, both directly and through its subsidiaries, in system integration telecom network solutions and laying/developing private network infrastructure on turn-key project contract basis and provision of related services both in India and overseas, such as, fiber deployment services, managed services, system integrations services, FTTH deployment services, operations and maintenance of fiber and other MPLS based networks  |
| Group Companies                                       | The companies with which our Company had related party transactions, during the period for which financial information is disclosed in this Information Memorandum, as covered under the applicable accounting standards, and such other companies as considered material by the Board of Directors. For further details on our Group Companies, see “ <i>Group Companies</i> ” on page 148.                                                                                     |
| Income Tax Act / IT Act                               | Income-tax Act, 1961 and amendments thereto                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Independent Director                                  | A non-executive, independent director of our Company as per the Companies Act, 2013 and the SEBI LODR Regulations                                                                                                                                                                                                                                                                                                                                                                |
| Information Memorandum                                | This Information Memorandum dated August 26, 2025, filed with the Stock Exchanges, issued in accordance with the applicable laws as prescribed by SEBI                                                                                                                                                                                                                                                                                                                           |
| Invenia                                               | Brand name of STL Networks Limited                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Key Managerial Personnel                              | Key managerial personnel of the Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations as described in “ <i>Our Management</i> ” beginning on page 126.                                                                                                                                                                                                                                                                                                            |
| Materiality Policy                                    | The criteria defined by our Board on May 14, 2025 for identification of material Group Companies, outstanding material litigation, and outstanding material dues to creditors, pursuant to the requirements under the SEBI ICDR Regulations for the purpose of the disclosure in this Information Memorandum.                                                                                                                                                                    |
| MOA/ Memorandum/ Memorandum of Association            | The memorandum of association of our Company, as amended from time to time                                                                                                                                                                                                                                                                                                                                                                                                       |
| NCLT / Tribunal                                       | National Company Law Tribunal, Mumbai                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Non-Executive Director(s)                             | A non-executive director of our Company, unless otherwise specified                                                                                                                                                                                                                                                                                                                                                                                                              |
| Promoter Group                                        | Persons and entities constituting our promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations. For details, see “ <i>Our Promoter and Promoter Group</i> ” on page 145.                                                                                                                                                                                                                                                                                      |
| Promoters/ Our Promoters                              | The promoter of the Company, being Mr. Anil Agarwal and Twin Star Overseas Limited. For further details, see “ <i>Our Promoter and Promoter Group</i> ” on page 145.                                                                                                                                                                                                                                                                                                             |
| Record Date                                           | April 24, 2025                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Registered Office                                     | The registered office of our Company is situated at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra, India, 411001.                                                                                                                                                                                                                                                                                                                                   |
| Registrar and Share Transfer Agent                    | Kfin Technologies Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

|                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ROC/ Registrar of Companies                               | The Registrar of Companies, Maharashtra at Pune.                                                                                                                                                                                                                                                                                                                                                                                                              |
| SEBI Act                                                  | Securities and Exchange Board of India Act, 1992, as amended from time to time.                                                                                                                                                                                                                                                                                                                                                                               |
| SEBI ICDR Regulations                                     | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018                                                                                                                                                                                                                                                                                                                                                   |
| SEBI LODR Regulations / SEBI Listing Regulations          | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.                                                                                                                                                                                                                                                                                                                     |
| SEBI Scheme Circular                                      | Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 on (i) Scheme of Arrangement by Listed Entities; and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 dated June 20, 2023.                                                                                                                                                                                                                              |
| Scheme/ Scheme of Arrangement                             | The scheme of arrangement under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 between STL, SNL and their respective shareholders as approved by the NCLT by way of its order dated February 14, 2025, with respect to the demerger of the Demerged Undertaking from STL. A copy of the Scheme is available at the website of the Company at <a href="http://www.inveniatech.com">www.inveniatech.com</a> . |
| Senior Management                                         | Senior Management of the Company as further described in “Our Management” on page 126.                                                                                                                                                                                                                                                                                                                                                                        |
| Share Entitlement Ratio                                   | 1 (one) fully paid-up equity share of Rs 2/- (Rupees Two only) each of the Resulting Company shall be issued and allotted for every 1 (one) fully paid-up equity shares of Rs. 2/- (Rupees Two Only) each held in the Demerged Company.                                                                                                                                                                                                                       |
| SNL/ Resulting Company/ our Company/ the Company/ we / us | STL Networks Limited, a public limited company incorporated under the Indian Companies Act, 2013 bearing Corporate Identification Number U72900PN2021PLC199875 and having its registered office at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra, India.                                                                                                                                                                         |
| STL/ Demerged Company                                     | Sterlite Technologies Limited, a public limited company incorporated under the Indian Companies Act, 1956 bearing corporate identification number L31300PN2000PLC202408 and having its registered office at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune – 411 001, Maharashtra.                                                                                                                                                             |
| Wilful Defaulter                                          | A wilful defaulter, as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.                                                                                                                                                                                                                                                                                                                                                                       |

\* For definitions of the terms used herein, if not defined in this Information Memorandum, please refer to the Scheme or the chapter titled “Scheme of Arrangement” beginning on page 43.

## Conventional and General Terms/Industry related terms/ Abbreviations

| Term                   | Description                                                                       |
|------------------------|-----------------------------------------------------------------------------------|
| AS/Accounting Standard | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| AAEC                   | Appreciable Adverse Effect on Competition                                         |
| ATMS                   | Advance Traffic Management System                                                 |
| BIS                    | Bureau of Indian Standard                                                         |
| BSNL                   | Bharat Sanchar Nigam Limited                                                      |
| BSE                    | BSE Limited                                                                       |
| CAGR                   | Compound Annual Growth Rate                                                       |
| CAPEX                  | Capital expenditure                                                               |
| CCI                    | Competition Commission of India                                                   |
| CDSL                   | Central Depository Services (India) Limited                                       |
| CGST                   | Central Goods and Services Act, 2017                                              |
| CGL                    | Clearcomm Group Limited                                                           |
| CIN                    | Corporate Identification / Identity Number                                        |
| Copyright Act          | The Copyright Act, 1957                                                           |
| CSR                    | Corporate Social Responsibility                                                   |
| DIN                    | Director Identification Number                                                    |
| EBITDA                 | Earnings before interest, taxes, depreciation and amortization                    |
| EIA                    | Environmental Impact Assessments                                                  |
| EMC                    | Electromagnetic Compatibility Standards                                           |
| EPR                    | Extended Producer Responsibility                                                  |
| ERP                    | Enterprise Resource Planning                                                      |
| ESG                    | Environmental, Social, and Governance                                             |
| FY                     | Financial Year                                                                    |
| FDI                    | Foreign Direct Investment                                                         |

|                        |                                                                                                                                                                     |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FEMA                   | Foreign Exchange Management Act, 1999                                                                                                                               |
| FEMA Non – Debt Rules  | Foreign Exchange Management (Non-Debt Instruments) Rules, 2019                                                                                                      |
| FIR                    | First Information Report                                                                                                                                            |
| FTA                    | Foreign Trade (Development and Regulation) Act, 1992                                                                                                                |
| GST                    | Goods and Services Tax                                                                                                                                              |
| HMIS                   | Health Management Information System                                                                                                                                |
| ICAI                   | Institute of Chartered Accountants of India                                                                                                                         |
| IEC                    | Importer-Exporter Code number                                                                                                                                       |
| IT Act                 | The Information Technology Act, 2000                                                                                                                                |
| ITES                   | Information Technology Enabled Services                                                                                                                             |
| India                  | Republic of India                                                                                                                                                   |
| IGST                   | Integrated Goods and Services Act, 2017                                                                                                                             |
| IND AS                 | Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, as notified under Rule 3 of Companies (Indian Accounting Standard) Rules, 2015 |
| Indian GAAP            | Generally Accepted Accounting Principles in India                                                                                                                   |
| INR                    | Indian National Rupee                                                                                                                                               |
| IP MPLS                | Internet Protocol Multi- Protocol Label Switching                                                                                                                   |
| MSME                   | Micro, Small and Medium Enterprises                                                                                                                                 |
| N/A or N.A.            | Not Applicable                                                                                                                                                      |
| NDCP                   | The National Digital Communications Policy, 2018                                                                                                                    |
| NSDL                   | National Securities Depository Limited                                                                                                                              |
| NSE                    | National Stock Exchange of India Limited                                                                                                                            |
| OFC                    | Optical Fiber Cable                                                                                                                                                 |
| PAN                    | Permanent Account Number                                                                                                                                            |
| PAT                    | Profit After Tax                                                                                                                                                    |
| Patents Act            | The Patents Act, 1970                                                                                                                                               |
| PIDS                   | Perimeter Intrusion Detection System                                                                                                                                |
| PPP                    | Public Private Partnership                                                                                                                                          |
| RBI                    | Reserve Bank of India                                                                                                                                               |
| RoW                    | Right of Way                                                                                                                                                        |
| ₹/ Rs. / Rupee(s)/ INR | Indian Rupees, the official currency of the Republic of India                                                                                                       |
| SBI                    | State Bank of India                                                                                                                                                 |
| SCRA                   | Securities Contracts (Regulation) Act, 1956 as amended from time to time                                                                                            |
| SCRR                   | Securities Contracts (Regulation) Rules, 1957                                                                                                                       |
| SGST                   | State's Goods and Services Act, 2017                                                                                                                                |
| SPDI Rules             | Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011                                        |
| SEBI                   | Securities and Exchange Board of India                                                                                                                              |
| State                  | States in India                                                                                                                                                     |
| Stock Exchanges        | BSE and NSE                                                                                                                                                         |
| STUKVL                 | Sterlite Technologies UK Ventures Limited                                                                                                                           |
| STL UK                 | STL UK Holdco Limited                                                                                                                                               |
| Trademarks Act         | The Trademarks Act, 1999                                                                                                                                            |
| TMS                    | Toll Management System                                                                                                                                              |
| UTGST                  | Union Territory Goods and Services Act, 2017                                                                                                                        |

## **CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL INFORMATION, INDUSTRY AND MARKET DATA**

*All references to “India” contained in this Information Memorandum are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.*

*Unless stated otherwise, all references to page numbers in this Information Memorandum are to the page numbers of this Information Memorandum.*

### **Financial Data**

Unless stated otherwise, the financial data in this Information Memorandum is derived from our Financial Statements. Our Company publishes its Financial Statements in Indian Rupees. Our Financial Statements, including the report issued by the Statutory Auditor, included in this Information Memorandum, have been prepared in accordance with Ind AS.

Our fiscal year commences on April 1 and ends on March 31 of each year, so all references to a particular Fiscal Year are to the 12 (twelve) month period ended March 31 of that year.

Financial Information in respect of the Demerged Undertaking forms part of the audited financial statements prepared by SNL and is reported separately. The reported financial statements of SNL are available on the website of the BSE and NSE and on the website of SNL, respectively.

Certain figures contained in this Information Memorandum, including Financial Information, have been subject to rounding off adjustments. Unless otherwise stated in this Information Memorandum, all decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points, to conform to their respective sources.

### **Currency or Presentation**

All references to “Rupees” or “₹” or “Rs.” Or “INR” or “Re” are to Indian Rupees, the official currency of the Republic of India. In this Information Memorandum, our Company has presented certain numerical information “lakh”, “million” and “crores” units or in whole numbers where the numbers have been too small to represent in such units. One million represents 1,000,000 and one billion represents 1,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than lakhs, such figures appear in this Information Memorandum expressed in such denominations as provided in their respective sources.

### **Industry and Market Data**

Unless stated otherwise, industry and market data used in this Information Memorandum has been obtained or derived from the report titled “*Assessment of Global and India IT Services, Integrated Digital Solutions Market, and Data Centre, Cloud Services Industry, Optical Fibre Design and Deployment Industry in India*” dated May 15, 2025, which is exclusively prepared for the purpose of listing of Equity Shares of our Company by CRISIL Limited and is commissioned and paid for by our Company. CRISIL Limited was appointed by our Company pursuant to an engagement letter dated April 16, 2025. The CRISIL Report will be available on the website of our Company at [www.inveniatech.com](http://www.inveniatech.com). Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. This Information Memorandum contains data and statistics from the CRISIL Report, which is subject to the following disclaimer:

*“Crisil Intelligence, a division of Crisil Limited, provides independent research, consulting, risk solutions, and data & analytics to its clients. Crisil Intelligence operates independently of Crisil’s other divisions and subsidiaries, including, Crisil Ratings Limited. Crisil Intelligence’s informed insights and opinions on the economy, industry, capital markets and companies drive impactful decisions for clients across diverse sectors and geographies. Crisil Intelligence’s strong benchmarking capabilities, granular grasp of sectors, proprietary analytical frameworks and risk management solutions backed by deep understanding of technology integration, makes it the partner of choice for public & private organisations, multi-lateral agencies, investors and*

*governments for over three decades.*

*For the preparation of this report, Crisil Intelligence has relied on third party data and information obtained from sources which in its opinion are considered reliable. Any forward-looking statements contained in this report are based on certain assumptions, which in its opinion are true as on the date of this report and could fluctuate due to changes in factors underlying such assumptions or events that cannot be reasonably foreseen. This report does not consist of any investment advice and nothing contained in this report should be construed as a recommendation to invest/disinvest in any entity. This industry report is intended for use only within India.”*

CRISIL is an independent agency which has no relationship with our Company, our Promoter, any of our Directors or Key Managerial Personnel.

Although we believe that industry data used in this Information Memorandum is reliable, it has not been independently verified by our Company and our affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the chapter titled “*Risk Factors*” beginning on page 15. Accordingly, investment decisions should not be based solely on such information.

The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Further, the extent to which the industry and market data presented in this Information Memorandum is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## **Time**

All references to time in this Information Memorandum are to Indian Standard Time.

## FORWARD LOOKING STATEMENTS

*This Information Memorandum contains certain “forward-looking statements”. All statements contained in this Information Memorandum that are not statements of historical fact constitute “forward-looking statements”. These forward looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “can”, “continue”, “could”, “expect”, “estimate”, “intend”, “is likely”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “should”, “will”, “would”, “will continue”, “will pursue”, “will likely result”, or other words or phrases of similar meaning. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition and prospects are forward-looking statements. All forward-looking statements are based on our current plans, estimates, presumptions and expectations, and are subject to risks, uncertainties and assumptions about us that could cause actual results and property valuations to differ materially from those contemplated by the relevant forward-looking statement.*

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to the following:

1. Our business is exposed to significant risks from delays in completing large-scale, multi-year projects and cost overruns. As most of our contracts are fixed-price without escalation clauses, any unforeseen delays or increased costs cannot be passed on to customers, potentially resulting in penalties and reduced profit margins. These factors can adversely affect both our short-term cash flow and long-term financial sustainability.
2. The Company recognizes revenue based on the progress of project completion, while customer invoicing is aligned with predefined project milestones. This difference in timing between revenue recognition and billing can lead to the accumulation of contract assets or unbilled revenue. If there are delays in achieving billing milestones, it may result in increased amounts of unbilled revenue, which can negatively affect the Company’s working capital. This, in turn, could impact liquidity and reduce operational flexibility.
3. Our customer base is relatively concentrated, with a small number of customers contributing significantly to our revenue. As a result, the business is at risk of experiencing substantial revenue loss if any of these customers choose not to renew their contracts or control their spend.
4. For the execution of specific projects, the customer is responsible for obtaining or providing the necessary Right of Way (RoW) permissions and other statutory clearances. Where the Company is required to support or facilitate this process, any delays in securing such approvals may adversely impact project timelines and the achievement of related billing milestones.
5. The ability to secure independent credit facilities is crucial for sustaining business operations and maintaining adequate working capital. Limited access to financing could disrupt cash flow, delay projects, and impact the Company’s overall financial flexibility and growth potential.
6. As part of our global expansion strategy, we have UK-based subsidiaries with long-term growth potential, though they are still working towards financial self-sufficiency. In addition to initial investments, we have extended loans to support their operations. Any ongoing underperformance could lead to financial risks, including potential impairment of investments or non-recovery of loans, which may impact our consolidated results.

For a further discussion of factors that could cause our actual results to differ, refer to chapter titled “Risk Factors” beginning on page 15. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Forward looking statements speak only as of the date of this Information Memorandum. Neither we nor our Promoters, Directors, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

## SECTION II – INFORMATION MEMORANDUM SUMMARY

*This section is a summary of specific disclosures included in this Information Memorandum and is not exhaustive nor does it purport to contain a summary of all disclosures or details relevant to prospective investors. For additional information and further details with respect to any of the information summarized below, please refer to the relevant sections of this Information Memorandum. Unless otherwise stated, the financial information in this section is derived from the Financial Statements.*

### Overview of Business

Our Company was incorporated on March 26, 2021, as a wholly owned subsidiary of STL under the Companies Act, 2013. Pursuant to the Scheme and the transfer of the Demerged Undertaking of STL into our Company, our Company is primarily engaged in Global Services Business. Our Company is a global provider of digital infrastructure and IT services, supporting enterprises, telecommunications companies, cloud service providers, government agencies, and defense sectors. Specializing in designing, building, managing, and transforming digital landscapes, our Company offers a comprehensive suite of services, including fiber connectivity, network solutions, data center services, cloud infrastructure, cybersecurity, and managed services. Our goal is to drive innovation and deliver value to our customers, investors, and employees by creating cutting-edge, future-ready digital infrastructure.

For further details, please see “Our Business” beginning on page 100.

### Overview of Industry

For further details, please see “Industry Overview” beginning on page 59.

### Promoters of the Company

The Promoters of our Company are:

1. Mr. Anil Agarwal
2. Twin Star Overseas Limited

### Size of the Issue

No Equity Shares are being sold or offered pursuant to this Information Memorandum.

### Objects

For more information, please see “Our History and Certain Other Corporate Matters – Main Objects of our Company” on page 119.

### Shareholding of Promoter and Promoter Group

The shareholding of our Promoters and the members of our Promoter Group as on the date of this Information Memorandum, are detailed below:

| Sr. No.               | Name of the Shareholder    | No. of Equity Shares | % of paid-up share capital |
|-----------------------|----------------------------|----------------------|----------------------------|
| <b>Promoters</b>      |                            |                      |                            |
| 1.                    | Twin Star Overseas Limited | 20,94,02,750         | 42.918                     |
| 2.                    | Anil Agarwal               | 0                    | 0                          |
| <b>Sub-Total (A)</b>  |                            | <b>20,94,02,750</b>  | <b>42.918</b>              |
| <b>Promoter Group</b> |                            |                      |                            |
| 1.                    | Vedanta Limited            | 47,64,295            | 0.977                      |
| 2.                    | Ankit Agarwal              | 8,38,676             | 0.172                      |
| 3.                    | Navin Agarwal              | 2,86,945             | 0.059                      |
| 4.                    | Pratik Pravin Agarwal      | 52,500               | 0.011                      |
| 5.                    | Pravin Agarwal             | 50,000               | 0.011                      |
| 6.                    | Sonakshi Agarwal           | 21,000               | 0.005                      |
| 7.                    | Ruchira Agarwal            | 16,000               | 0.004                      |



|                      |                             |                     |               |
|----------------------|-----------------------------|---------------------|---------------|
| 8.                   | Jyoti Agarwal               | 11,500              | 0.003         |
| 9.                   | Pravin Agarwal Family Trust | 100                 | 0.000         |
| <b>Sub-Total (B)</b> |                             | <b>60,41,016</b>    | <b>1.242</b>  |
| <b>Total (A+B)</b>   |                             | <b>21,54,43,766</b> | <b>44.160</b> |

### Summary of Financial Information

The following information has been derived from the Consolidated and Standalone Financial Statements as at the year ended March 31, 2025, and the Standalone Financial Statements for the financial years ended March 31, 2024 and March 31, 2023.

(Rs. in Crores, except per share data)

| Particulars                                              | For the financial year ended March 31, 2025 (Consolidated) | For the financial year ended March 31, 2025 (Standalone) | For the financial year ended March 31, 2024 | For the financial year ended March 31, 2023 |
|----------------------------------------------------------|------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| Share capital                                            | 0.00 <sup>(1)</sup>                                        | 0.00 <sup>(1)</sup>                                      | 0.10 <sup>(2)</sup>                         | 0.10 <sup>(2)</sup>                         |
| Net Worth <sup>(3)</sup>                                 | 79.81                                                      | 173.69                                                   | 0.00                                        | 0.02                                        |
| Revenue                                                  | 1,179.72                                                   | 1,059.90                                                 | 0.00                                        | 0.00                                        |
| Profit after Tax                                         | (31.95)                                                    | 30.92                                                    | (0.02)                                      | (0.01)                                      |
| Earnings per Equity Share (basic) <sup>(4)</sup> (Rs.)   | (0.65)                                                     | 0.63                                                     | (0.04)                                      | (0.03)                                      |
| Earnings per Equity Share (diluted) <sup>(4)</sup> (Rs.) | (0.65)                                                     | 0.63                                                     | (0.04)                                      | (0.03)                                      |
| Net asset value per Equity Share <sup>(5)</sup>          | 18.60                                                      | 23.85                                                    | 0.51                                        | 4.19                                        |
| Total borrowings <sup>(6)</sup>                          | 815.81                                                     | 743.87                                                   | 0.00                                        | 0.00                                        |

(1) Pursuant to the Scheme, the Company will issue and allot equity shares to the shareholders of Demerged Company whose name appears in the register of members of Demerged Company as on the record date i.e. April 24, 2025, one equity share of ₹ 2.00 each in the Company as fully paid up for every equity share of ₹ 2.00 each held by them in Demerged Company and the equity share capital of ₹ 97.58 to be issued has been disclosed as Share capital suspense account under the head Equity share capital.

(2) Due to rounding off of figures in Crores in Financial Statements, share capital has been disclosed as ₹ 0.10 Crore whereas the actual share capital is ₹ 0.05 Crores - 50,000 equity shares at face value of ₹ 10.00 each.

(3) Net Worth has been computed as the aggregate value of the paid-up share capital, share capital pending allotment, all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2025, March 31, 2024 and March 31, 2023.

(4) Basic EPS and Diluted EPS calculations are in accordance with Indian Accounting Standard 33 'Earnings per Share' (excludes Nil share capital pending allotment).

(5) Net Asset Value per Equity Share = Net Worth as per the Financial Statements/ number of Equity Shares outstanding post the allotment of Equity Shares pursuant to the Scheme.

(6) Total borrowings represent the current borrowings and non-current borrowings.

Note: Post March 31, 2025, the Company issued and allotted 48,79,21,086 Equity Shares on April 28, 2025.

For further details, please see "Financial Statements" on page 152.

### Auditor Qualifications

There have been no qualifications by our Statutory Auditors in the Financial Statements.

For further details, please see "Financial Statements" on page 152.

### Summary of Outstanding Litigations

The summary of outstanding or pending litigations involving our Company, Directors, Promoters, Subsidiaries and Group Companies, as applicable, on the date of this Information Memorandum is set out below:

| Name of Entity      | Criminal Proceedings | Tax Proceedings | Statutory or Regulatory Proceedings | Disciplinary actions by SEBI or Stock Exchanges against our Promoters | Material civil litigations | Aggregate amount involved (Rs. in Crores*) |
|---------------------|----------------------|-----------------|-------------------------------------|-----------------------------------------------------------------------|----------------------------|--------------------------------------------|
| <b>Company</b>      |                      |                 |                                     |                                                                       |                            |                                            |
| By our Company      | Nil                  | Nil             | Nil                                 | Nil                                                                   | 8                          | 909.68                                     |
| Against our Company | 1                    | 4               | Nil                                 | Nil                                                                   | 4                          | 651.59                                     |
| <b>Directors</b>    |                      |                 |                                     |                                                                       |                            |                                            |
| By our Directors    | Nil                  | Nil             | Nil                                 | Nil                                                                   | Nil                        | Nil                                        |

|                                                       |     |     |     |     |     |       |
|-------------------------------------------------------|-----|-----|-----|-----|-----|-------|
| Against our Directors                                 | Nil | Nil | Nil | Nil | Nil | Nil   |
| <b>Key Managerial Personnel and Senior Management</b> |     |     |     |     |     |       |
| By the KMPs and SMPs                                  | Nil | NA  | Nil | NA  | NA  | Nil   |
| Against the KMPs and SMPs                             | 1   | NA  | Nil | NA  | NA  | Nil   |
| <b>Promoters</b>                                      |     |     |     |     |     |       |
| By our Promoters                                      | Nil | Nil | Nil | Nil | Nil | Nil   |
| Against our Promoters                                 | 5   | Nil | 1   | Nil | Nil | Nil   |
| <b>Subsidiaries</b>                                   |     |     |     |     |     |       |
| By our Subsidiaries                                   | Nil | Nil | Nil | Nil | Nil | Nil   |
| Against our Subsidiaries                              | Nil | Nil | Nil | Nil | 1   | 6.14* |
| <b>Group Companies</b>                                |     |     |     |     |     |       |
| By our Group Companies                                | Nil | Nil | Nil | Nil | Nil | Nil   |
| Against our Group Companies                           | Nil | Nil | Nil | Nil | Nil | Nil   |

Note: \*The conversion rate of 1 Sterling Pound is Indian Rupees 118.08 as on August 23, 2025.

For further details, please see section titled “*Outstanding Litigation and Material Developments*” on page 380.

## Risk Factors

For details of the risks applicable to the Company, please see chapter titled “*Risk Factors*” beginning on page 15.

## Summary of Contingent Liabilities

A summary of our Contingent Liabilities as at March 31, 2025, March 31, 2024 and March 31, 2023 are as set out below:

| <i>(Rs. in Crores)</i>                              |                                                             |                       |                       |
|-----------------------------------------------------|-------------------------------------------------------------|-----------------------|-----------------------|
| Particulars                                         | As of March 31, 2025*<br>(both consolidated and standalone) | As at March 31, 2024* | As at March 31, 2023* |
| Claims against the Company not acknowledged as debt | 0.00                                                        | 0.00                  | 0.00                  |
| Disputed excise and customs duty                    | 1.53                                                        | 0.00                  | 0.00                  |
| Disputed goods and service tax liability            | 10.82                                                       | 0.00                  | 0.00                  |
| <b>Total</b>                                        | <b>12.35</b>                                                | <b>0.00</b>           | <b>0.00</b>           |

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

For further details, please see note on Contingent Liabilities in the section titled “*Financial Statements*” on page 152.

## Summary of Related Party Transactions

Please refer to the note on related party transactions in the section titled “*Financial Statements*” on page 152.

| <i>(Rs. in Crores)</i>                                               |                                                               |                                                             |                                             |                                             |
|----------------------------------------------------------------------|---------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------|---------------------------------------------|
| Particulars                                                          | For the financial year ended March 31, 2025<br>(Consolidated) | For the financial year ended March 31, 2025<br>(Standalone) | For the financial year ended March 31, 2024 | For the financial year ended March 31, 2023 |
| The transactions of the Company with related parties during the year |                                                               |                                                             |                                             |                                             |
| <b>Remuneration to Key Managerial Personnel</b>                      |                                                               |                                                             |                                             |                                             |
| Mr. Pankaj Malik                                                     | 0.56                                                          | 0.56                                                        | NA                                          | NA                                          |
| Mr. Gopal Chandra Rastogi                                            | 0.96                                                          | 0.96                                                        | NA                                          | NA                                          |
| Mr. Praveen Cherian                                                  | 2.87                                                          | 2.87                                                        | NA                                          | NA                                          |
| Mr. Pankaj Aggarwal                                                  | -                                                             | -                                                           | NA                                          | NA                                          |
| Ms. Meenal Bansal                                                    | 0.02                                                          | 0.02                                                        | NA                                          | NA                                          |
| <b>Loans and Advances Given – Subsidiary</b>                         |                                                               |                                                             |                                             |                                             |
| Sterlite Technologies UK Ventures Limited                            | NA                                                            | -                                                           | NA                                          | NA                                          |

|                                                                  |       |        |      |      |
|------------------------------------------------------------------|-------|--------|------|------|
| STL UK HoldCo Limited, UK                                        | NA    | 26.99  | NA   | NA   |
| <b>Interest charged on loans – Subsidiary</b>                    |       |        |      |      |
| Sterlite Technologies UK Ventures Limited                        | NA    | 14.97  | NA   | NA   |
| STL UK HoldCo Limited, UK                                        | NA    | 2.83   | NA   | NA   |
| <b>Revenue from operations - Fellow Subsidiary</b>               |       |        |      |      |
| Hindustan Zinc Limited                                           | 4.47  | 4.47   | NA   | NA   |
| Vedanta Limited                                                  | 0.24  | 0.24   | NA   | NA   |
| Talwandi Sabo Power Limited                                      | 0.71  | 0.71   | NA   | NA   |
| <b>Other Income – Subsidiary</b>                                 |       |        |      |      |
| Sterlite Technologies UK Ventures Limited                        | NA    | 2.59   | NA   | NA   |
| <b>Operating income - Holding Company</b>                        |       |        |      |      |
| Sterlite Technologies Limited                                    | 1.40  | NA     | NA   | NA   |
| <b>Purchase of goods &amp; services - Holding Company</b>        |       |        |      |      |
| Sterlite Technologies Ltd                                        | 18.76 | 16.30  | NA   | NA   |
| <b>Purchase of goods &amp; services - Fellow Subsidiary</b>      |       |        |      |      |
| STL Digital Limited                                              | 7.41  | 7.24   | NA   | NA   |
| Sterlite Tech Cables Solutions Ltd                               | 48.27 | 48.27  | NA   | NA   |
| <b>Corporate allocation – Holding Company</b>                    |       |        |      |      |
| Sterlite Technologies Ltd                                        | 17.49 | 17.49  | NA   | NA   |
| <b>Outstanding during the period/ year – Holding Company</b>     |       |        |      |      |
| Trade payables                                                   | 13.58 | 1.29   | NA   | NA   |
| <b>Outstanding during the period/ year – Fellow Subsidiaries</b> |       |        |      |      |
| Trade receivables                                                | 3.66  | 2.80   | NA   | NA   |
| Other receivable                                                 | -     | -      | NA   | NA   |
| Trade payables                                                   | 25.06 | 25.05  | NA   | NA   |
| Reimbursement payable                                            | NA    | NA     | 0.01 | 0.01 |
| <b>Outstanding during the period/ year – Subsidiaries</b>        |       |        |      |      |
| Loans/advance receivables*                                       | NA    | 317.50 | NA   | NA   |
| Investment                                                       | NA    | 25.79  | NA   | NA   |
| Trade receivables                                                | NA    | 12.54  | NA   | NA   |
| Corporate Guarantee given                                        | NA    | 116.20 | NA   | NA   |

\*Includes interest & expenses incurred and recoverable

#### **Financing arrangements for purchase of securities**

There have been no financing arrangements whereby our Promoters, members of our Promoter Group, or our directors and their relatives have financed the purchase, by any other person, of securities of our Company, during a period of six months immediately preceding the date of this Information Memorandum.

#### **Weighted average price at which the Equity Shares were acquired by the Promoters in the one year preceding the date of this Information Memorandum**

The weighted average price at which Equity Shares were acquired by our Promoter in the one year preceding the date of this Information Memorandum is not applicable as the Equity Shares were acquired by our Promoter pursuant to the Scheme.

#### **Average cost of acquisition of Equity Shares**

The average cost of acquisition per Equity Share for the Promoters as on date of this Information Memorandum, is not applicable as the Equity Shares were acquired by our Promoters pursuant to the Scheme.

**Issue of Equity Shares for consideration other than cash in the last one year**

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Information Memorandum.

**Split or consolidation**

Our Company has undertaken a split of the Equity Shares during the one year immediately preceding the date of the Information Memorandum in the following manner:

| Date           | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| March 21, 2025 | The total Authorized Share Capital of the Company being Rs. 5,00,000 (Rupees Five Lakh) divided into 50,000 (Fifty Thousand) Equity Shares of Rs. 10 (Rupees Ten) each, was split such that the Equity Shares having face value of Rs.10/- (Rupees Ten) were sub-divided into 5 (Five) Equity Shares of face value of Rs. 2 (Rupees Two). Accordingly, the total Authorized Share Capital of the Company was changed to Rs. 5,00,000 (Rupees Five Lakh) divided into 2,50,000 (Two Lakh Fifty Thousand) Equity Shares of Rs. 2 (Rupees Two) each. |

**Exemption from complying with any provisions of securities laws by SEBI**

Our Company has been granted exemption from the application of Rule 19(2)(b) of the SCRR by the SEBI pursuant to the letter dated August 21, 2025 bearing reference number SEBI/HO/CFD/CFD-RAC-DCR1/P/OW/2025/22500/2.

### SECTION III – RISK FACTORS

*An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Information Memorandum, including the risks and uncertainties described below, before making an investment in the Equity Shares of our Company.*

*If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our Company's business, results of operations and financial condition could suffer, the price of the Equity Shares could decline, and all or part of the investment may be lost.*

*In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 100 and 361 of this Information Memorandum, respectively, as well as the other financial and statistical information contained in this Information Memorandum. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms on which the Equity Shares of the Company have been issued pursuant to the Scheme including the merits and risks involved potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Equity Shares of the Company. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section.*

*This Information Memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Information Memorandum. Please see section titled "Forward Looking Statements" on page 8.*

*Wherever used in this section the terms "we", "us" "our" shall mean our Company, including the Demerged Undertaking, which is transferred pursuant to the Scheme, unless otherwise stated. While the following section includes material risks in relation to the business operations of our Company, post the Effective Date, for complete details in relation to the Global Services Business, including the historical performance, previous milestones and risk factors, the disclosures in the section below should be read with the information available on the websites of the Stock Exchanges, and financial statements, investor presentations and corporate disclosures issued by the Demerged Company.*

#### **Internal Risk Factors**

- 1. Our business is exposed to significant risks from delays in completing large-scale, multi-year projects and cost overruns. As most of our contracts are fixed-price without escalation clauses, any unforeseen delays or increased costs may not be passed on to customers, potentially resulting in penalties and reduced profit margins. These factors can adversely affect both our short-term cash flow and long-term financial sustainability.***

Our business undertakes large-scale, multi-year, end-to-end projects, which involve a high level of complexity and reliance on meeting strict timelines and budgets. Delays in project completion can result in the imposition of penalties or liquidated damages by customers, which can negatively impact our profitability and cash flow. Such penalties are typically predefined amounts that we would be required to pay in the event of a delay, leading to a direct financial burden. Additionally, the extended timelines may divert critical resources away from other projects, further straining our operations and overall business performance.

Most of our contracts are fixed-price agreements, meaning the price is agreed upon at the outset and does not change throughout the project's duration. While this provides pricing certainty for customers, it exposes the Company to the risk of absorbing any unforeseen costs, as many contracts do not include cost escalation clauses. If unforeseen circumstances lead to higher expenses - such as increased material costs, labor shortages, or scope changes these additional costs cannot be recovered from the customer. This could severely impact profit margins, especially in large projects, and may even lead to financial losses. Together, these factors can undermine our financial performance and create long-term challenges for profitability.

- 2. The Company recognizes revenue based on the progress of project completion, while customer invoicing is aligned with predefined project milestones. This difference in timing between revenue recognition and billing can lead to the accumulation of contract assets or unbilled revenue. If there are delays in achieving billing milestones, it may result in increased amounts of unbilled revenue, which can negatively affect the***

***Company's working capital. This, in turn, could impact liquidity and reduce operational flexibility.***

The Company's revenue recognition is aligned with the progress of project completion, while customer invoicing is tied to specific contractual milestones. This creates a timing gap between when revenue is recognized internally and when it is billed to customers.

As a result, the Company may accumulate significant amounts of unbilled revenue or contract assets on its balance sheet. These balances represent work completed but not yet invoiced, and while they reflect earned value, they do not immediately translate into cash inflows.

If there are delays in achieving billing milestones due to project execution issues, customer dependencies, or administrative hold-ups, these unbilled amounts may remain outstanding for extended periods. This can constrain the Company's working capital, as cash that would otherwise support day-to-day operations is tied up in non-liquid assets. In such scenarios, the Company may experience reduced liquidity, which could affect its ability to meet short-term obligations, fund ongoing projects, or invest in growth opportunities.

3. ***Our customer base is relatively concentrated, with a small number of customers contributing significantly to our revenue. As a result, the business is at risk of experiencing substantial revenue loss if any of these customers choose not to renew their contracts or control their spend.***

The Company's customer base is highly concentrated, with a significant portion of revenue derived from a small number of key customers. This concentration presents a risk as the business is heavily reliant on a limited number of customers for a substantial share of its income. Any change in the relationship with these top customers whether due to their decision not to renew contracts, reducing their business with the Company, or shifting to competitors could result in a considerable drop in revenue. Such an event would pose a challenge to maintaining steady cash flow and financial stability.

Furthermore, the loss of a major customer or a reduction in the level of business from these key clients could have a domino effect on the Company's overall performance.

4. ***For the execution of specific projects, the customer is responsible for obtaining or providing the necessary Right of Way (RoW) permissions and other statutory clearances. Where the Company is required to support or facilitate this process, any delays in securing such approvals may adversely impact project timelines and the achievement of related billing milestones.***

For the execution of specific projects, the customer holds the responsibility of obtaining or providing the necessary Right of Way (RoW) permissions and other required statutory clearances, including but not limited to environmental, regulatory, and land access approvals. Any delays in the acquisition or provision of these clearances by the customer may result in the postponement of project timelines, which in turn may affect our ability to meet predefined milestones.

In cases where the Company is called upon to support or facilitate the acquisition of these approvals, the risk of delays remains inherent. Factors such as government processing times, unforeseen legal or regulatory hurdles, land disputes, or delays in third-party approvals can further contribute to the postponement of necessary permissions. Any such delay can directly impact the project execution schedule, resulting in missed deadlines, extended project durations, and the potential for cost overruns.

Moreover, delayed approvals can have a cascading effect on the achievement of related billing milestones, as certain project phases may be tied to the receipt of these clearances. This can hinder cash flow, disrupt billing schedules, and affect the overall financial performance of the project. Additionally, ongoing delays in obtaining approvals may lead to increased operational costs, strain on resources, and a negative impact on the Company's relationship with the customer, especially if the project timelines are extended beyond the agreed scope.

5. ***The ability to secure independent credit facilities is crucial for sustaining business operations and maintaining adequate working capital. Limited access to financing could disrupt cash flow, delay projects, and impact the Company's overall financial flexibility and growth potential.***

Our ability to secure independent credit facilities plays a critical role in supporting day-to-day business operations and maintaining adequate working capital. The nature of our business, which involves large-scale, long-term projects, requires substantial funding to cover initial costs, ongoing expenses, and the smooth

execution of multiple milestones. If we are unable to access sufficient credit facilities or face challenges in securing financing, it could negatively impact our cash flow and hinder our ability to meet financial obligations or invest in future projects. Furthermore, a lack of adequate working capital could strain our operational flexibility, delay project timelines, or impact our ability to take on new contracts, potentially affecting long-term growth and profitability.

6. ***As part of our global expansion strategy, we have UK-based subsidiaries with long-term growth potential. However, they are still working towards financial self-sufficiency. In addition to initial investments, we have extended loans to support their operations. Any ongoing underperformance could lead to financial risks, including potential impairment of investments or non-recovery of loans, which may impact our consolidated results.***

As part of our broader strategy to expand globally, we have established subsidiaries in the UK with promising long-term growth prospects. While these entities are positioned to contribute significantly to our overall business in the future, they are currently in the process of becoming financially self-sufficient. This ongoing transition means that they continue to rely on both initial investments and additional financial support, including loans, to cover operational costs and facilitate their growth.

However, if these subsidiaries fail to achieve the expected level of performance or growth within the anticipated timeline, we may face significant financial risks. These risks could include the impairment of our investments, meaning we may need to write off part or all of the capital invested if their financial performance deteriorates further. Additionally, the loans extended to these subsidiaries may not be recoverable if they continue to experience operational challenges. Such outcomes could negatively affect our consolidated financial results and overall financial stability.

7. ***Our business depends on capital expenditure by companies and governments in telecommunications, IT, and network modernization, including the rollout of next-generation fiber networks, investments in data centers, and other IT digital systems and solutions***

Our business depends on capital expenditure by companies and governments in telecommunications, IT, and network modernization, including investments in next-generation fiber networks, data centers, and other IT digital solutions. These expenditures are crucial to our growth, as they drive demand for the services we provide. Any slowdown or reduction in these investments, whether due to economic factors, budget cuts, or changes in industry priorities, could limit new project opportunities and affect our revenue streams.

The risk arises from the potential for delayed or reduced spending on essential infrastructure projects, which could directly impact our ability to secure contracts and meet business objectives. Additionally, evolving technological trends or regulatory changes could alter investment priorities, further influencing demand for our services. As such, fluctuations in these capital expenditures could negatively impact our financial performance and long-term growth prospects.

8. ***We may face challenges in meeting our contractual obligations under customer agreements, including the inability to fulfill commitments related to time, quality, or other factors. This could lead to penalties or, in more severe cases, contract termination, potentially causing a material adverse effect on our business, financial condition, operating results, and cash flows.***

There is a risk that we may fail to meet our contractual obligations under customer agreements due to factors such as delays, quality issues, or other performance-related challenges. If we do not fulfill these commitments on time or according to specified standards, it could lead to the invocation of performance bank guarantees. Such guarantees are typically called upon to compensate customers for any non-performance or delays, potentially resulting in significant financial liabilities.

In more severe cases, failure to meet contractual obligations could also lead to contract termination, further compounding the financial and reputational damage. The invocation of performance bank guarantees, combined with the loss of contracts, may have a material adverse effect on our financial condition, operational results, and cash flows. This could disrupt our ability to maintain customer relationships, secure new contracts, and impact the overall stability of our business.

9. ***Our order book is built through the tendering and bidding process for various projects, which are subsequently converted into sales and revenue. However, the successful conversion of these orders into actual sales is subject to various external factors beyond our control. Any failure to effectively convert our***

***order book into sales could adversely affect our business operations, financial condition, results of operations, and cash flows***

Our order book is generated through the tendering and bidding process for projects, where we submit proposals to potential clients with the aim of securing contracts. Once awarded, these contracts become part of our order book, which we expect to convert into actual sales and revenue. However, the successful conversion of these orders into tangible sales is not guaranteed and depends on several factors that may be beyond our immediate control. These factors include delays in project execution, customer satisfaction with the delivered work, unforeseen regulatory or technical challenges, and external market conditions that could affect the completion or success of the project.

Any failure to convert these orders into sales could have significant repercussions for our business. It may lead to a reduction in expected revenue, impacting our financial stability and growth prospects. Furthermore, such delays or failures can result in disruptions to our operational performance, potentially increasing costs, extending project timelines, and affecting our ability to meet key financial and operational goals. The adverse effects of this could also extend to our cash flows, which are critical to maintaining the liquidity required to fund ongoing projects and business operations. Therefore, the risks associated with not converting our order book into sales highlight the vulnerability of our business to external and internal challenges, which could have a material impact on our overall financial health and long-term success.

***10. We may pursue acquisitions and investments as part of our growth strategy, but these activities carry inherent risks. If we are unable to effectively manage and mitigate these risks, it could negatively affect our business, operational results, financial condition, and cash flows.***

As part of our growth strategy, we may pursue acquisitions and investments to expand our market presence and capabilities. However, such activities come with inherent risks, including challenges in integrating acquired businesses, cultural mismatches, regulatory hurdles, and potential overvaluation of assets. Additionally, unforeseen operational or financial difficulties within the acquired companies or investments could arise, impacting their ability to deliver the expected returns. These risks, if not properly identified or managed, could result in delays, additional costs, or failure to achieve anticipated synergies.

If we are unable to address and resolve these risks effectively, it could have a material adverse impact on our business. The financial performance of the acquired entities may not align with expectations, leading to negative consequences on our results of operations. Furthermore, any failures or setbacks in acquisitions or investments could strain our financial resources, affecting our liquidity, cash flows, and overall financial condition. These challenges may disrupt our long-term growth objectives and hinder our ability to achieve sustainable profitability.

***11. Our business requires working capital. Any failure in arranging adequate working capital for our operations may adversely affect our business, results of operations, financial condition and cash flows.***

We require working capital to finance the availing of services from our vendors and other related work before payment is received from customers. Our net working capital was as below:

| <b>Working Capital</b>                     | <b>Amount (Rs. in Crores)</b> |
|--------------------------------------------|-------------------------------|
| FY 22-23                                   | 0.02                          |
| FY 23-24                                   | 0.00                          |
| FY 24-25 (restated numbers are per Scheme) | 717.24                        |

The actual amount and timing of our future working capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, engineering design changes, weather-related delays, technological changes and additional market developments and new opportunities. Our inability to obtain an adequate amount of working capital through debt or equity funding and internal cash flows in a timely manner may also have an adverse effect on our results of operations, financial condition and cash flows.

The actual amount and timing of our future working capital requirements for our business may differ from estimates due to, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes, weather-related delays, technological changes and additional market developments. Our sources of additional financing, where we are required to meet our capital expenditure



plans, may include the incurrence of debt or issue of debt securities.

If we decide to raise additional funds through the incurrence of debt or issue of debt linked securities, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability, cash flows and financial conditions. Additionally, our ability to obtain additional financing on favourable commercial terms or at all, will depend on a number of factors, including, amongst others (i) our results of operations, financial conditions and cash flows; (ii) the amount and terms of our existing indebtedness; (iii) general conditions in the markets where we operate; and (iv) general condition of the debt markets.

**12. *Unforeseen environmental costs could affect our future earnings as well as the affordability of our products.***

Environmental law and regulation of industrial activities across the world may become more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, such as the imposition of carbon taxes and other such levies, we may be required to comply with the same, which would entail us to incur significant amounts on, among other things, environmental monitoring, pollution control equipment and emissions management. Such additional costs may adversely affect our results of operations.

In addition, failure to comply with environmental laws may result in the assessment of penalties and fines against us by regulatory authorities. The commencement of environmental actions against us or the imposition of any penalties or fines on us as a result may have an adverse effect on our business, prospects and results of operations. Some environmental laws impose joint and several liabilities for the cost of environmental remediation, natural resource damages, third party claims, and other expenses, without regard to the fault or the legality of the original conduct, on those persons who contributed to the release of waste into the environment.

New legislation or regulations may be adopted in the future that may adversely affect our operations, our cost structure or our customers' ability to use our products. New legislation or regulations, or different or more stringent interpretation or enforcement of existing laws and regulations, may also require us or our customers to change operations significantly or incur increased costs which could have an adverse effect on our results of operations and financial condition.

We could also be subject to substantial civil and criminal liability and other regulatory consequences in the event that an environmental hazard was to be found at the site of any of our plants, or if the operation of any of our plants results in material contamination of the environment. We may also be the subject of litigation relating to allegations of environmental pollution by our plants. If such cases are determined against us, there could be an adverse effect on our business, operations and financial condition.

**13. *Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements, could adversely affect our business, results of operations and financial condition.***

Our business relies on various debt financing arrangements to support its operations and growth initiatives. These debt agreements often include financial covenants, such as maintaining certain levels of liquidity, profitability, or debt-to-equity ratios, as well as other operational commitments. Failure to meet these obligations or covenants—whether due to unforeseen financial difficulties, operational challenges, or external economic factors—could trigger penalties or defaults under the terms of our financing arrangements.

If we are unable to comply with these covenants or fulfill our financial obligations, it could lead to significant consequences, such as accelerated repayment of debt, increased borrowing costs, or restrictions on future financing options. In more severe cases, our lenders could take legal actions, including enforcing collateral or taking steps to seize assets. Such outcomes could disrupt our operations, limit our financial flexibility, and strain our cash flows, ultimately having a material negative impact on our business, financial condition, and overall results of operations.

**14. *Negative publicity, including any blacklisting by customers due to non-performance or other reasons, could significantly damage our reputation. Such actions may restrict our ability to participate in future tenders or bidding processes, thereby impacting our business development opportunities. This, in turn, could have an adverse effect on our business operations, financial condition, results of operations, and cash flows.***

Negative publicity, particularly arising from allegations or instances of non-performance, delayed delivery, or breach of contractual obligations, can significantly harm our reputation in the market. In such cases, customers—especially government bodies or large institutional clients—may take strict action, including blacklisting or disqualifying us from participating in future tenders or procurement processes. Being blacklisted can restrict our access to key projects, especially in sectors where reputation and past performance are critical eligibility criteria for bidding.

Such adverse actions not only impact our immediate business prospects but may also undermine the trust and confidence of existing and potential customers, partners, and stakeholders. Even a single instance of blacklisting or negative coverage can have a cascading effect, limiting our ability to secure new contracts, damaging long-standing relationships, and affecting our brand value. This can result in lost revenue opportunities, disruption to our order pipeline, and increased competition, all of which may adversely affect our business, results of operations, financial condition, and cash flows.

**15. *We have certain contingent liabilities which if they materialize, may adversely affect our business, results of operations, financial condition and cash flows.***

The table below sets forth our contingent liabilities as at March 31, 2025 (both consolidated and standalone):

| <b>Contingent liabilities</b>                       | <b>As at March 31, 2025<br/>(Rs. in Crores)</b> |
|-----------------------------------------------------|-------------------------------------------------|
| Claims against the Company not acknowledged as debt | 0.00                                            |
| Disputed excise and custom duty                     | 1.53                                            |
| Disputed Goods and Service Tax liability*           | 10.82                                           |
| <b>Total</b>                                        | <b>12.35</b>                                    |

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

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, cash flow, financial condition and results of operations.

**16. *There are outstanding legal proceedings involving our Company and Subsidiaries. Any adverse outcome in such proceedings may have an adverse effect on our business, results of operations, financial condition and cash flows.***

There are outstanding legal proceedings involving our Company and its subsidiaries, which include civil, contractual, regulatory, or other disputes. While we believe we have valid grounds in each of these cases, the outcome of legal proceedings is inherently uncertain and may not always be in our favor.

Any adverse ruling or settlement could result in financial liabilities, penalties, or injunctive relief that may restrict our operations. Additionally, defending these cases may involve substantial time, effort, and legal costs, diverting management's attention from regular business activities. Consequently, any unfavorable outcome in these proceedings could materially affect our business, results of operations, financial condition, and cash flows.

**17. *Any damages caused by fraud, theft or other misconduct by our employees could adversely affect our business, results of operations, financial condition and cash flows.***

Although we supervise our employees and workmen to prevent illegal and unethical behaviour, fraud, data theft or other misconduct of employees, we run the risk that such employee misconduct could occur. Misconduct by our employees or executives could bind us to transactions that exceed authorised limits, present unacceptable risks or involve us in unauthorised or unlawful activities without our knowledge, which may result in penalties, damage to our reputation and loss of business from our customers. Employee or executive misconduct could also involve improper use or disclosure of confidential information, which could result in serious reputational and financial harm, including harm to our brand. Further, the precautions taken and systems put in place to prevent, detect and deter such activities may not be effective in all cases and could have an adverse effect on our business, results of operations, financial condition and cash flows.

**18. *Our performance may be adversely affected if we are unable to accurately forecast customer requirements and effectively manage project resources and execution timelines.***

Our ability to deliver projects successfully depends on accurately forecasting customer requirements and efficiently managing the deployment of resources and adherence to execution timelines. In our line of business, delays in anticipating customer specifications or scope changes can disrupt project planning, leading to misallocation or shortages of manpower, equipment, or subcontracted services. Similarly, failure to coordinate and align internal project schedules with customer deadlines can result in delayed delivery, contract penalties, or strained client relationships. These challenges are particularly significant in large-scale or time-sensitive projects where precision in planning and resource allocation is critical.

Ineffective management of project resources and timelines can also lead to cost overruns, reduced operational efficiency, and lower profit margins. If we are unable to adjust project plans in response to evolving customer needs or unforeseen circumstances—such as supply chain disruptions, labor availability, or technical issues—it may hinder our ability to complete projects as committed. In turn, this may adversely impact our ability to recognize revenue in a timely manner, weaken our competitive positioning, and ultimately affect our financial condition, results of operations, and cash flows.

**19. Our Promoters, Promoter Group certain of our Directors, Key Managerial Personnel and Senior Management hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.**

Our Promoters, Promoter Group, and certain of our Directors, Key Managerial Personnel and Senior Management, are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding or the shareholding of their relatives in our Company. The table below sets forth the details of shareholding of our Promoters, Promoter Group, Directors, Key Managerial Personnel and Senior Management, as applicable:

| <b>Names</b>                                            | <b>Number of Equity Shares</b> | <b>Percentage of total pre-Issue paid up Equity Share capital</b> |
|---------------------------------------------------------|--------------------------------|-------------------------------------------------------------------|
| <b>Promoters and Promoter Group</b>                     |                                |                                                                   |
| Twin Star Overseas Limited                              | 20,94,02,750                   | 42.918                                                            |
| Vedanta Limited                                         | 47,64,295                      | 0.977                                                             |
| Ankit Agarwal                                           | 8,38,676                       | 0.172                                                             |
| Navin Agarwal                                           | 2,86,945                       | 0.059                                                             |
| Pratik Pravin Agarwal                                   | 52,500                         | 0.011                                                             |
| Pravin Agarwal                                          | 50,000                         | 0.011                                                             |
| Sonakshi Agarwal                                        | 21,000                         | 0.005                                                             |
| Ruchira Agarwal                                         | 16,000                         | 0.004                                                             |
| Jyoti Agarwal                                           | 11,500                         | 0.003                                                             |
| Pravin Agarwal Family Trust                             | 100                            | 0.000                                                             |
| Anil Agarwal                                            | 0                              | 0.000                                                             |
| <b>Directors</b>                                        |                                |                                                                   |
| Ankit Agarwal                                           | 8,38,676                       | 0.172                                                             |
| Pravin Agarwal                                          | 50,000                         | 0.011                                                             |
| Pankaj Malik                                            | 0                              | 0.000                                                             |
| Dindyal Jalan                                           | 0                              | 0.000                                                             |
| Kumud Madhok Srinivasan                                 | 0                              | 0.000                                                             |
| Bangalore Jayaram Arun                                  | 0                              | 0.000                                                             |
| <b>Key Managerial Personnel &amp; Senior Management</b> |                                |                                                                   |
| Chandrasekhara Rao Battula                              | 28,267                         | 0.0061                                                            |
| Gopal Chandra Rastogi                                   | 12,244                         | 0.003                                                             |
| Tarun Soni                                              | 2,812                          | 0.001                                                             |
| Meenal Bansal                                           | 500                            | 0.000                                                             |
| Pankaj Malik                                            | 0                              | 0.000                                                             |
| Navneet Kaushik                                         | 0                              | 0.000                                                             |
| Puneet Garg                                             | 0                              | 0.000                                                             |
| Koel Chakrabarty                                        | 0                              | 0.000                                                             |
| Manish Ranjan                                           | 0                              | 0.000                                                             |
| Kuhu Rastogi                                            | 0                              | 0.000                                                             |
| B. Lakshmiraman                                         | 0                              | 0.000                                                             |

We cannot assure you that our Promoters, Promoter Group, Directors, Key Managerial Personnel and our Senior Management will exercise their rights as shareholders to the benefit and best interest of our Company. For further information, see “*Capital Structure*”, and “*Our Management*” beginning on pages 35 and 126, respectively.

**20. *Our Company was incorporated on March 26, 2021, and there may be certain uncertainties in the integration of the Demerged Undertaking into a newly incorporated entity, such as our Company.***

Our Company was incorporated on March 26, 2021, and commenced our business from the Effective Date upon transfer of the Demerged Undertaking to our Company as a going concern. Accordingly, there may be certain uncertainties in the integration of the Demerged Undertaking into our Company. While post the Effective Date, all the employees including experienced personnel in the Demerged Undertaking have been transferred to our Company, our Company may be unable to effectively integrate the Demerged Undertaking, and efficiently operate the consequent business of our Company, thereby adversely impacting the results of our Company’s operations and profitability of the business. Pursuant to the Scheme, STL is required to effect the transfer of, inter alia, properties, approvals, employees, and intellectual property of the Demerged Undertaking to our Company. Inability to effect any of such transfers in a timely manner may materially impact the ability of our Company to carry on and undertake business operations.

Additionally, certain financial and key performance indicators with respect to the Demerged Undertaking prior to the effectiveness of the Scheme may not be representative of our results after having integrated the Demerged Undertaking post the Effective Date.

**21. *We may not be able to obtain consent from all existing customers of the Demerged Undertaking for transfer / novation of existing contracts to our Company pursuant to the Scheme***

The transfer / novation of existing customer contracts with respect to the Demerged Undertaking requires the consents of the relevant counterparties to undertake the relevant obligations under such customer contracts in accordance with the terms thereof. While the existing customers in relation to the Global Services Business were provided with intimations regarding transfer of the Demerged Undertaking on and from the Effective Date, SNL is in the process of receiving express consent for the transfer / novation of such contracts from the relevant customers. In the event all such consents are not provided by the relevant customers, contracts with such customers may not stand being transferred / novated in favour of our Company, leading to loss of customers, which could reduce revenue and have a material adverse effect on our Company’s business, future prospects, results of operations and financial condition.

**22. *The insurance coverage taken by our Company may not be adequate to protect against all potential losses, which may have material adverse effect on our business, financial condition, cash flows and results of operations.***

Our operations are subject to various risks and hazards inherent in the Global Services Business, including breakdowns, failure or substandard performance of equipment, third party liability claims, labour disturbances, employee fraud and infrastructure failure, as well as fire, theft, robbery, earthquake, flood, acts of terrorism and other force majeure events. We maintain appropriate insurance coverage commensurate with industry standards (and which are subject to standard exclusions and limitations), in relation to property, fixed assets, movable assets and certain other assets that are considered to be subject to significant operating risks, however, there may be possible losses for which we may not have insured against or covered or where the insurance cover may not be adequate or for our insurance claims may be rejected. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Losses arise due to third-party claims that are either not covered by insurance or the values of which exceed insurance limits, economic or consequential damages that are outside the scope of insurance coverage and claims that are excluded from coverage may not be covered by the insurance obtained by us.

We may not have identified and insured against every risk that may occur, and the occurrence of an event that causes losses more than the limits specified in our policies, or losses arising from events or risks not covered by insurance policies or due to the same being inadequate. Any of the above could materially harm our financial condition, cash flows and future results of operations. There can be no assurance that any claims filed will be honoured fully or in a timely fashion under our insurance policies and we may not be able to renew certain of our insurance policies upon their expiration, either on commercially acceptable terms or at

all.

**23. *Our Company is dependent on STL for certain shared services.***

We depend on, have entered into and may continue to enter into agreements with STL for various shared services required for the administrative functions of our Company. While these agreements are entered into on an arm's length basis taking into consideration the interests of our Company as well as STL, there can be no assurance that such contracts or services will continue to be provided by STL, which could adversely affect our business, financial condition, cash flows and results of operations.

**24. *Our Company's inability to manage growth may lead to loss of opportunities and may hamper our Company's future growth plans.***

Our Company's ability to sustain and effectively manage growth is critical to maintaining our competitive position and meeting long-term strategic objectives. Rapid growth—whether in terms of project volume, geographic expansion, or service diversification—requires robust operational systems, scalable infrastructure, skilled manpower, and strong internal controls. If we fail to strengthen our organizational capabilities in line with our expanding business needs, it could result in operational inefficiencies, quality lapses, or delays in project execution. Inadequate planning or misalignment between growth initiatives and execution capacity may also result in missed opportunities, dissatisfied clients, or financial strain.

Moreover, unmanaged growth can stretch management bandwidth and dilute focus from core business areas. If we are unable to recruit, train, and retain the necessary talent or invest sufficiently in systems and technology, our ability to deliver on existing commitments and pursue new opportunities could be compromised. This may not only impact our current performance but could also hinder our future expansion plans, adversely affecting our revenue, profitability, and long-term growth trajectory.

**25. *Outstanding dues may not be repaid by our customers within the stipulated time.***

Some of our customers are unable to pay within the time periods stipulated within the relevant contracts and there is no guarantee that such customers will eventually be able to pay the entire outstanding amount or any at all. If a customer defaults in making payments for a project to which we have devoted significant resources, it may also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses, which may in turn adversely affect our business, financial condition, results of operations and cash flows.

**26. *Our success depends in large part upon our management team and key personnel and our ability to attract, train and retain such persons.***

Our success and growth depend on the continuous services of our senior members of our management and operational team. For details of our Board, Key Managerial Personnel and Senior Management, see “*Our Management*” beginning on page 126. Our ability to seamlessly carry out our operations depends in large part on our ability to attract, train, motivate and retain highly skilled professionals. We may not be able to hire and retain enough skilled and experienced employees to replace those who leave. Additionally, we may not be able to replace adequately skilled and experienced Board members and other Senior Management upon their retirement/ termination of job. If we fail to retain, motivate and/or attract such personnel, our business may be unable to grow and our revenues could decline, which may adversely affect our business, reputation, results of operation and financial condition.

**27. *If we are unable to establish and maintain an effective system of internal controls and compliances our business and reputation could be adversely affected.***

We manage regulatory compliance by monitoring and evaluating our internal controls and ensuring that we are in compliance with all relevant statutory and regulatory requirements. However, there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. As we continue to grow, there can be no assurance that there will be no instances of such inadvertent non-compliances with statutory requirements, which may result in regulatory action, including monetary penalties, which may adversely affect our business and reputation.

**28. *Our Promoters will be able to exercise significant influence and control over our Company and may have interests that are different from those of our other shareholders.***

As of the date of this Information Memorandum, our Promoters and Promoter Group hold 44.16 % of the issued and outstanding Equity Shares of our Company. By virtue of their shareholding, our Promoters and Promoter Group will have the ability to exercise significant control and influence over our Company and our affairs and business, including the appointment of Directors, the timing and payment of dividends, the adoption of and amendments to our Memorandum and Articles of Association, the approval of a merger, amalgamation or sale of substantially all of our assets and the approval of most other actions requiring the approval of our shareholders. The interests of our Promoters and Promoter Group may be different from or conflict with the interests of our other shareholders and their influence may result in a change of management or control of our Company, even if such a transaction may not be beneficial to our other shareholders.

**29. *We have entered into, and will continue to enter into, related party transactions.***

We have entered into certain transactions with related parties and may continue to do so in future. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we could not have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into related party transactions in the future. We cannot assure you that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations. For details please see note on related party transactions in the section titled "*Financial Statements*" on page 152.

**30. *Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind AS contained in this Information Memorandum.***

The Financial Statements included in this Information Memorandum are prepared and presented in conformity with Ind AS (as applicable) and no attempt has been made to reconcile any of the information given in this Information Memorandum to any other principles or to base it on any other standards. Ind AS significantly differs from accounting principles and auditing standards with which prospective investors may be familiar with such as Indian GAAP and in other countries, such as U.S. GAAP and IFRS.

Accordingly, the degree to which the financial information included in this Information Memorandum will provide meaningful information is dependent on familiarity with Ind AS. Any reliance by persons not familiar with Ind AS on the financial disclosures presented in this Information Memorandum should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

**31. *Any downgrade in our credit ratings would increase our future borrowing costs and constrain our access to capital and lending markets and as a result, would negatively affect our business.***

The cost and availability of funds for our various operations is dependent, among other factors, on our credit ratings. The credit ratings would change our future borrowing costs and constrain our access to capital and lending markets and would negatively affect our business, in case of lower credit ratings of the Company.

We cannot assure you that our credit rating will improve in the future or not deteriorate further. If our Company is unable to improve its credit rating or if there is further downgrading of our credit ratings, it may accelerate repayment terms of our present borrowings and may also adversely affect our ability to avail future borrowings at commercially favorable terms or at all, which may adversely affect our operations, cash flows and financial performance. Any downgrading of our credit rating may adversely affect the price of our Equity Shares.

**32. *We may enter into financing agreements which may contain covenants that limit our flexibility in operating our business.***

We may enter into financing arrangements with lenders which may contain restrictive covenants and conditions restricting certain corporate actions and require us to take the prior approval of the relevant lender before carrying out such actions. Such agreements may contain restrictive conditions to obtain prior written

consent from some of our lenders for, among other matters, (i) investment by way of share capital in or lend or advance funds to or place deposits with any other concern; (ii) changing our capital structure or composition of our management or Board of Directors, (iii) undertaking merger or amalgamation, (iv) changing our constitution, (v) issuance of further Equity Shares, (vi) prepayment of indebtedness, There can be no assurance that we will comply with the covenants with respect to our financing arrangements in the future or that we will be able to secure waivers for any such non- compliance in a timely manner or at all, and we will not be subject to penal interest and other charges.

Our ability to make payments on our indebtedness will depend on our future performance and our ability to generate cash, which to a certain extent is subject to factors which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our indebtedness on a timely basis would likely result in a reduction of our creditworthiness and/or any credit rating we may hold, which could harm our ability to incur additional indebtedness on acceptable terms or at all. Further, if we are unable to repay our debt, affected lenders could also proceed against any collateral granted to them to secure such indebtedness.

**33. *Our ability to repay any future indebtedness will depend on our future performance and ability to generate cash***

Our ability to make payments on any future indebtedness will depend on our future performance and our ability to generate cash, which to a certain extent is subject to factors which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay any debt obligations, we may be forced to sell assets or attempt to restructure or refinance such indebtedness. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. Any failure to make payments of interest and principal on any future indebtedness on a timely basis would likely result in a reduction of our creditworthiness and/or any credit rating we may hold, which could harm our ability to incur additional indebtedness on acceptable terms or at all. Any inability to repay our debt, could result in the lenders proceeding against any collateral granted to them to secure such indebtedness.

**34. *Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of our financing arrangements.***

There can be no assurance that we will pay dividends in the future. The declaration of dividends would be recommended by our Board of Directors, at its sole discretion, and would depend upon a number of factors, including but not limited to the Indian legal requirements, capital allocation plans as decided by the Board, cash flows, working capital requirements and capital expenditures, requirements for maintaining minimum amount as cash or bank balance or in any other form for contingencies or unforeseen events, or any other developments that require cash investments or any changes in the competitive environment requiring significant investment. Further we may be restricted by the terms of our debt financing, if any, from making dividend payments as per the terms of such financing arrangements.

**35. *If we are unable to protect our proprietary information or other intellectual property rights, our business may be adversely affected.***

With respect to intellectual property owned by us, and the Company owns certain trademarks, details of which are set out in “*Our Business - Intellectual Properties*” on page 111, which have been assigned to the Company pursuant to the Scheme. We have obtained, or have applied for, trademarks, patent, copyright and designs registrations for our various products, logos, labels, processes, designs, artistic works and brands which we use in our business. Our intellectual property is subject to certain threats from third parties including unauthorized use of our logo and name. While we intend to defend ourselves against any threats to our intellectual property, we cannot assure our proprietary intellectual property will provide us with adequate proprietary protection or competitive advantages, and that we would be successful in defending threats. There can be no assurance that our intellectual property pending registration or renewal will be registered/ renewed in a timely manner or at all.

Detecting and policing unauthorized use of proprietary rights are difficult and expensive. We may need to resort to litigation to enforce or defend our proprietary rights, which could divert significant management time and attention, and consume significant financial resources in their defence or enforcement. An adverse determination in any such litigation could materially impair our intellectual property rights. Our failure to adequately protect our brand, trademarks and other related intellectual property rights may adversely affect our business, reputation, financial condition, results of operations and cash flows.

**36. *We are exposed to foreign currency exchange rate fluctuations.***

A significant fluctuation in foreign currency exchange rates could therefore have a significant impact on our results of operations and our profitability.

**37. *Our operations and the work force at our project sites for our business are exposed to various hazards.***

Our project sites where execution is carried out are subject to hazards inherent in such industries, such as the risk of equipment failure, impact from falling objects, collision, work accidents, fire or explosion. Many of these hazards can cause injury and loss of life, severe damage to and destruction of property and equipment and environmental damage. If any one of these hazards or other hazards were to affect our business, results of operations, cash flows and financial condition may be adversely affected.

**38. *Some of our agreements may have certain irregularities.***

Some of the agreements that have been executed by our Company, which require registration and/or stamping in accordance with applicable law, may have not been registered and/or are not adequately stamped or not stamped at all and such documents may not be legally enforceable until the applicable stamp duty, registration charges, and consequent penalties are paid on such documents, or at all, which may adversely affect our business, result of operations, cash flows and financial condition.

**39. *We operate in a highly competitive industry, and any failure to effectively compete could materially adversely impact our business.***

The success of our business is largely dependent on our ability to consistently win contracts, particularly with government entities. We compete with other service providers based on various factors, including pricing, technical and engineering expertise, design capabilities, financial strength, past experience, the scope and nature of guarantees, and our overall track record.

Our competitors may possess greater financial resources, more established market presence, or a willingness to operate with lower profit margins over extended periods. They may also form strategic alliances or partnerships with other competitors, suppliers, or subcontractors, gaining further competitive advantages. There is no guarantee that our competitors will not offer comparable or superior services at lower prices, adapt more quickly to industry changes, or expand their operations more rapidly, which could lead to price reductions, thinner profit margins, loss of market share, and negative impacts on our business, future prospects, financial condition, cash flows, and overall results of operations.

**40. *Our business is subject to certain macro-economic conditions and government policies.***

The business sectors in which we operate are highly sensitive to macro-economic factors that influence market dynamics. These factors include fiscal and monetary policies, government initiatives, and regulatory changes that support the growth of digital infrastructure, telecom networks, and IT services. Government measures such as tax incentives, subsidies, and investments in infrastructure development, particularly in underserved regions, can have a significant impact on the demand for our offerings. Furthermore, changes in interest rates, foreign exchange rates, inflation, and tax policies can affect the ability of customers to invest in large-scale projects, such as network modernization, data center expansion, and digital transformation. Additionally, broader economic factors like GDP growth, consumer spending, and shifting demographics, including rising income levels and increasing adoption of technology, contribute to the demand for telecom and IT services. However, fluctuations in these economic conditions or changes in consumer behavior can lead to reduced investments in digital infrastructure and technological advancements. Any downturn in these factors or unfavorable regulatory changes may affect the volume of projects and opportunities available to us, ultimately impacting our business, financial condition, cash flows, and long-term prospects.



**41. Any failure in the successful implementation or functioning of our information technology systems may adversely affect our business, financial condition, cash flows, and results of operations.**

Our information technology systems are critical to the smooth operation of our business, and any disruptions, such as outages caused by fire, floods, power loss, telecommunications failures, natural disasters, or security breaches, could significantly impact our operations. These disruptions may lead to data loss, hinder our ability to track and manage project progress, process financial information, or engage in day-to-day business activities. Additionally, our proprietary data, including project and customer information, is stored electronically and may be vulnerable to cyber threats such as viruses, hacking, or unauthorized tampering. Such incidents could result in the compromise of sensitive information, impacting our reputation and customer trust.

Moreover, a breach or failure in our IT systems could expose us to increased operational costs, legal liabilities, and potential disruptions to ongoing projects. These events may also weaken our competitive position, as delays or data loss could impair our ability to meet customer expectations or regulatory requirements. Overall, any failure in our IT systems could significantly disrupt our operations, expose us to financial penalties, and negatively affect our business, cash flows, and long-term prospects.

**42. We may, from time to time, look for opportunities to enter strategic alliances, acquire businesses or enter into joint venture arrangements. Any failure to manage the integration of the businesses or facilities post such acquisition or joint venture may cause our profitability to suffer.**

We may, from time to time, look for opportunities to acquire businesses or enter into strategic partnerships or alliances which may not contribute to our profitability, or require us to incur or assume debt or additional expenses beyond our forecasts, as part of any acquisition. Such acquisitions may give rise to unforeseen contingent risks relating to these businesses that may only become apparent after the merger or the acquisition is finalised. We may face difficulty in assimilating and retaining the personnel, operations and assets of the acquired by our Company and we may not be able to accurately identify or forge an alliance with appropriate companies in line with our growth strategy and may adversely affect our business.

**43. We have experienced certain negative cash flows in relation to our activities.**

We have had certain negative cash flows in March 31, 2025, details of which are below:

| Particulars*                                         | For the year ended March 31, 2025<br>(In Crores) |
|------------------------------------------------------|--------------------------------------------------|
| Net cash inflow/ (outflow) from operating activities | (175.76)                                         |
| Net cash inflow/ (outflow) from investing activities | (1.32)                                           |

\* For financing activities, cash flow is positive for March 31, 2025

If we continue to experience negative cash flows from operations in the future, it could adversely affect our business, results of operations and financial condition. For further details, see “Information Memorandum Summary - Summary of Financial Information” on page 11.

**External Risk Factors**

**1. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.**

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

2. ***Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business and financial performance.***

The regulatory and policy environment in India is evolving and subject to change which may adversely affect our business, financial condition, results of operations, performance and prospects in India, to the extent that we are not able to suitably respond to and comply with such changes.

3. ***Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government has traditionally exercised and continues to exercise influence over many aspects of the economy which affect our business and the market price and liquidity of our Equity Shares. Changes in interest rates, Government policy, taxation, social and civil unrest, rate of economic liberalization and other political, economic or other developments in or affecting India, could adversely affect economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

4. ***Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance such as interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

5. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.***

Under the foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) as long as such investors comply with the pricing guidelines, reporting requirements and sectoral caps prescribed in this regard. If the transfer of shares, which are sought to be transferred, are not in compliance with such pricing guidelines, reporting requirements or other regulations prescribed, then the prior approval of the Government will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any governmental approval required under the applicable foreign exchange regulations can be obtained on any particular terms or at all.

6. ***The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.***

India's physical infrastructure is in developing phase compared to that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our Company's business operations, which could have an adverse effect on its results of operations and financial condition.

7. ***You may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.***

Capital gains arising from the sale of our Equity Shares are generally taxable in India. Generally, the rate of tax may vary depending on whether the transferor is a resident or non-resident under the Income Tax Act, 1961 and on the duration for which the shares are held prior to transfer. In certain cases, an exemption from capital gains tax may be available under the Income Tax Act, 1961 or an applicable double taxation treaty.

8. ***There is no prior trading history for the Equity Shares.***

Since the Equity Shares have not been previously traded, their market value is uncertain. Following admission, the market price of the Equity Shares may be volatile. Our Company's operating results and prospects from

time to time may be below the expectations of market analysts and investors. At the same time, market conditions may affect the price of our Company's Equity Shares regardless of the operating performance of our Company. Stock market conditions are affected by many factors, such as general economic and political conditions, terrorist activity, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment towards the retail market and the supply and demand of capital.

**9. *Significant trading volumes of the Equity Shares on the Stock Exchanges on listing could impact the price of our Company's Equity Shares.***

Following the admission of our Equity Shares for trading on the Stock Exchanges, there may be a period of relatively high-volume trading in the Equity Shares. A high volume of sales of our Equity Shares on the Stock Exchanges after admission, or the perception that these sales might occur, could result in volatility in the market price of our Equity Shares.

**10. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

Pursuant to listing, we will be subject to a daily "circuit breaker" imposed by the Stock Exchanges, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges may not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding shareholders' ability to sell Equity Shares at any particular time.

**11. *Any downgrading of India's debt rating by an international rating agency could adversely affect our business and the price of our Equity Shares.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our business, our future financial performance, our shareholders' funds and the price of our Equity Shares.

**12. *A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.***

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

**13. *If inflation were to rise in India and the jurisdictions in which we operate, we might not be able to increase the prices of our products and services at a proportional rate in order to pass costs on to our customers thereby reducing our margins.***

Inflation rates in India and in other jurisdictions in which we operate have been volatile in recent years, and such volatility may continue in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of borrowings, wages and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. Consequently, we may also be affected and fall short of business growth and profitability. Any increase in inflation in India and the jurisdictions in which we operate can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business, results of operations, financial condition and cash flows. In particular, we might not be able to reduce our costs or increase the price of our products to

pass the increase in costs on to our consumers. In such case, our business, results of operations, financial condition and cash flows may be adversely affected.

**14. *The Indian tax regime has undergone substantial changes which could adversely affect our business and the trading price of our Equity Shares.***

Any change in Indian tax laws could have an effect on our operations. For instance, the Government of India implemented two major reforms in Indian tax laws, namely the Goods and Services Tax (“GST”), and provisions relating to general anti-avoidance rules (“GAAR”). The indirect tax regime in India underwent a complete overhaul. Any dividend distribution by a domestic company is subject to tax in the hands of the investor at their applicable income tax rate. Taxes are to be withheld by the Indian company on such dividends at the applicable rate. Non-resident shareholders may claim benefit of the applicable tax treaty read with the Multilateral Instrument, if and to the extent applicable, subject to satisfaction of certain conditions. The company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether if at all, any laws or regulations would have an adverse effect on our business. Further, any adverse order passed by the appellate authorities/ tribunals/courts would have an effect on our profitability. In addition, we are subject to tax related inquiries and claims.

**15. *Rights of shareholders of companies under Indian laws may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian laws and legal principles governing our corporate affairs, the validity of corporate procedures, directors’ fiduciary duties, responsibilities and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights under Indian law may not be as extensive and wide- spread as shareholders’ rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholders of our Company than as a shareholder of an entity in another jurisdiction.

**16. *We may be subject to pre-emptive surveillance measures like Additional Surveillance Measure (ASM) and Graded Surveillance Measures (GSM) by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.***

SEBI and Stock Exchanges in order to enhance market integrity and safeguard interest of investors, have been introducing various enhanced pre-emptive surveillance measures. The main objective of these measures is to alert and advise investors to be extra cautious while dealing in these securities and advise market participants to carry out necessary due diligence while dealing in these securities. Accordingly, SEBI and Stock Exchanges have provided for (a) GSM on securities where such trading price of such securities does not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net-worth, price per equity multiple and market capitalization; and (b) ASM on securities with surveillance concerns based on objective parameters such as price and volume variation and volatility.

We may be subject to general market conditions which may include significant price and volume fluctuations. The price of our Equity Shares has fluctuated since the initial public offering of the Equity Shares and may also continue to fluctuate after the Issue due to several factors such as volatility in the Indian and global securities markets, our profitability and performance, performance of our competitors, changes in the estimates of our performance or any other political or economic factors. The occurrence of any of the abovementioned factors may trigger the parameters identified by SEBI and the Stock Exchanges for placing securities under the GSM or ASM framework such as net worth and net fixed assets of securities, high low variation in securities, client concentration and close to close price variation.

In the event our Equity Shares are covered under such pre-emptive surveillance measures implemented by SEBI and the Stock Exchanges, we may be subject to certain additional restrictions in relation to trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active market for and trading of our Equity Shares.

***17. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.***

The Competition Act regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties.

Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra- territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by us at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

***18. Our ability to borrow in foreign currencies is restricted by Indian law.***

Indian companies are subject to foreign exchange regulations that regulate borrowing in foreign currencies, including those specified under the Foreign Exchange Management Act, 1999. Such regulatory restrictions limit our ability to borrow in foreign currencies and, therefore, could negatively affect our ability to obtain financing on competitive terms. In addition, we cannot assure you that any required approvals for borrowing in foreign currency will be granted to us without onerous conditions, if at all. Such, and other, limitations on raising foreign capital may adversely affect our business, results of operations, financial condition and cash flows.

***19. Any future issuance of Equity Shares, convertible securities or other equity linked securities by us could dilute the holdings of investors and could adversely affect the market price of the Equity Shares.***

Our Company may be required to finance our future growth through additional offerings. Any future issuance of Equity Shares, convertible securities or other equity-linked securities by our Company could dilute investors' holdings and could adversely affect the market price of the Equity Shares. In addition, any future issuances, sales by any significant shareholder or a perception in the market that such issuance or sale may occur, could adversely affect the trading price of the Equity Shares. Such securities may also be issued at a price below the then current trading price of the Equity Shares. These sales could also impair our Company's ability to raise additional capital from the sale of Equity Shares. Our Company cannot assure you that it will not issue further Equity Shares or that the shareholders will not dispose off, pledge or otherwise encumber their Equity Shares.

***20. Investors will be subject to market risks until the Equity Shares credited to their demat accounts are listed and permitted to trade.***

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

## SECTION IV – INTRODUCTION

### GENERAL INFORMATION

Our Company was incorporated as a public limited company under the Companies Act, 2013, in Pune, Maharashtra, India, under the name of STL Networks Limited as per the certificate of incorporation dated March 26, 2021, issued by the Registrar of Companies, Pune at Maharashtra. The Corporate Identification Number of our Company is U72900PN2021PLC199875.

#### Scheme Of Arrangement

##### *Details of the Scheme*

The National Company Law Tribunal, Mumbai Bench, vide its order dated February 14, 2025 (the certified copy whereof was received on March 18, 2025) has approved the Scheme of Arrangement between STL and SNL and their respective shareholders and creditors. Pursuant to the Scheme, the Demerged Undertaking of STL is transferred to and vested with SNL. In accordance with the said Scheme, the Equity Shares of SNL issued pursuant to the Scheme, shall be listed and admitted to trading on BSE and NSE. This Information Memorandum is for listing of 48, 79, 21, 086 Equity Shares of Rs. 2 each of our Company. No Equity Shares are proposed to be sold or offered pursuant to this Information Memorandum.

#### Registered office of our Company

The Registered Office of our Company is 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra, India, 411001

#### Corporate office of our Company

The corporate office of our Company is Capital Cyberscape, 15<sup>th</sup> and 16<sup>th</sup> Floor, Sector - 59, Gurugram, Haryana, 122102.

#### Registrar of Companies

Our Company is registered with the Registrar of Companies, Pune, Maharashtra which is situated at the following address: PCNTDA Green Building, BLOCK A, 1st & 2nd Floor, Near Akurdi Railway Station, Akurdi, Pune – 411044, Maharashtra

#### Board of Directors of our Company

The following table sets out details regarding our Board as on the date of this Information Memorandum :

| Name                    | DIN      | Designation                                     | Address                                                                                                           |
|-------------------------|----------|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Pravin Agarwal          | 00022096 | Chairman and Non-Executive Director             | 117, North Main Road, Lane No. 4, Koregaon Park, Pune City, Pune 411 001, Maharashtra                             |
| Ankit Agarwal           | 03344202 | Vice- Chairman and Non-Executive Director       | 117, North Main Road, Lane No. 4, Koregaon Park, Pune City, Pune 411 001, Maharashtra                             |
| Pankaj Malik            | 10949402 | Chief Executive Officer and Whole Time Director | TNB - 191, Near Horizon Center, Trinity Tower DLF Phase - 5, Chakarpur (74), Chakkarpur, Gurgaon, Haryana, 122002 |
| Dindayal Jalan          | 00006882 | Non-Executive Independent Director              | 807/808, Ashok tower, D, 63-74, Dr SS Rao road, Parel, Mumbai-400012, Maharashtra, India.                         |
| Kumud Madhok Srinivasan | 06487248 | Non-Executive Independent Director              | 785 E Windmere Drive, Phoenix, AZ 850486355                                                                       |
| Bangalore Jayaram Arun  | 02497125 | Non-Executive Independent Director              | 202, Purva Grande, 49 Lavelle Road, Bangalore-560001                                                              |

For further details of our Board of Directors, please refer to the section titled “*Our Management*” on page 126.

#### Company Secretary and Compliance Officer

Ms. Meenal Bansal is the Company Secretary and Compliance Officer of our Company. Her contact details are as

follows:

**Address:** Capital Cyberscape,  
15<sup>th</sup> and 16<sup>th</sup> Floor, Sector - 59,  
Gurugram, Haryana, 122102  
**Tel:** 0124 – 4561850  
**Email:** meenal.bansal@inveniatech.com

#### **Registrar and Share Transfer Agent**

Kfin Technologies Limited is the Registrar and Share Transfer Agent of our Company. The contact details are as follows:

**Address:** Selenium, Tower B,  
Plot No - 31 and 32,  
Financial District  
Nanakramguda, Serilingampally  
Rangareddi – 500032,  
Hyderabad, Telangana, India  
**Tel:** 18003094001  
**Investor grievance E-mail:** einward.ris@kfintech.com  
**Website:** www.kfintech.com  
**Contact Person:** Mr. Nagesh Govu  
**SEBI Registration No:** INR000000221

#### **Statutory auditors to our Company**

Price Waterhouse Chartered Accountants LLP is the statutory auditor of our Company. The contact details are as follows:

**Address:** 7th Floor, Tower A – Wing 1,  
Business Bay, Airport Road,  
Yerwada, Pune – 411 006,  
Maharashtra, India  
**Tel:** 020-41004444  
**E-mail:** a.borkar@pwandaffiliates.com  
**Website:** [www.pwc.in](http://www.pwc.in)  
**Contact Person:** Amit Borkar, Partner  
**Membership No.:** 109846  
**Firm Registration No:** 012754N/N500016  
**Peer Review Number:** 015948

#### **Changes in auditors during the last three financial years**

There have been no changes in the Auditors during the last three financial years.

#### **Bankers to our Company**

State Bank of India is the banker of our Company. The contact details are as follows:

**Address:** Corporate Accounts Group,  
The Capital – A Wing,  
16th Floor – Bandra Kurla Complex,  
Bandra (E) Mumbai – 400051  
**Tel:** +91-22-61709502  
**E-mail:** dgmamt4cagbkc@sbi.co.in  
**Website:** [www.onlinesbi.sbi](http://www.onlinesbi.sbi)  
**Contact Person:** Mrs. Manjiri Bapat

#### **Legal advisor to our Company**

LegalLogic Consulting is the legal advisor of our Company. The contact details are as follows:

**Address:** 6th Floor, Suma Center,  
Near Deenanath Mangeshkar Hospital Road,  
Opposite Himali Society,  
Vakil Nagar, Erandwane,  
Pune, Maharashtra 411004  
**E-mail:** [contact@legallogic.com](mailto:contact@legallogic.com)  
**Website:** <https://legallogic.com>

### **Filing**

A copy of this Information Memorandum is filed with BSE and NSE. For the purposes of listing our Equity Shares pursuant to the Scheme, NSE is the Designated Stock Exchange.

### **Authority for listing**

The NCLT, Mumbai, by way of its order dated February 14, 2025, sanctioned the Scheme with respect to the transfer of the Demerged Undertaking of STL to our Company. The Equity Shares of our Company pursuant to the Scheme shall be listed and admitted for trading on the Stock Exchanges. Such listing and admission for trading is not automatic and will be subject to fulfilment of listing criteria by our Company as permitted by the Stock Exchanges for such issues and such other terms and conditions as may be prescribed by the Stock Exchanges at the time of the application for listing by our Company. For more details relating to the Scheme, please refer to “*Scheme of Arrangement*” on page 43.

Our Company has obtained in-principle listing approvals from BSE and NSE on July 17, 2025, and July 15, 2025, respectively. Our Company shall make applications for final listing and trading approvals from BSE and NSE. Our Company has nominated NSE as the Designated Stock Exchange for the aforesaid listing of shares.

### **Eligibility criteria**

There being no initial public offering or rights issue, the eligibility criteria in terms of the SEBI ICDR Regulations, is not applicable. SEBI has, by way of the SEBI Scheme Circular, permitted unlisted issuer companies to make an application for relaxation from the strict enforcement of Rule 19(2)(b) of SCRR, subject to certain conditions. Accordingly, our Company has made an application to SEBI seeking relaxation from the applicability of Rule 19(2)(b) of SCRR and SEBI has granted such relaxation vide its letter no. SEBI/HO/CFD/CFD-RAC-DCR1/P/OW/2025/22500/2 dated August 21, 2025.

The information memorandum, once finalized, shall be made publicly available through the respective websites of the Stock Exchanges (i.e., [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)) and through our website on [www.inveniatech.com](http://www.inveniatech.com). Before commencement of trading, our Company will publish an advertisement in the newspapers containing its details in accordance with the SEBI Scheme Circular with the details required in accordance with sub – clause 5 of paragraph A of Part II of the SEBI Scheme Circular.

### **General disclaimer by Company**

Our Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisement to be published in terms of the SEBI Scheme Circular or any other material issued by or at the instance of the Company and that anyone placing reliance on any other source of information would be doing so at his own risk. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.



## CAPITAL STRUCTURE

The share capital of our Company, prior to the Scheme of Arrangement is set out below:

| Particulars                                         | Aggregate Nominal Amount (in Rs.) |
|-----------------------------------------------------|-----------------------------------|
| <b>Authorized Share Capital</b>                     |                                   |
| 50,000 Equity Shares of face value of Rs. 10 each   |                                   |
| <b>Total</b>                                        | <b>5,00,000</b>                   |
| <b>Issued, Subscribed and Paid-up Share Capital</b> |                                   |
| 50,000 Equity Shares of face value of Rs. 10 each   |                                   |
| <b>Total</b>                                        | <b>5,00,000</b>                   |
| <b>Securities Premium (Rs.)</b>                     | <b>0.00</b>                       |

*\*Entire pre-Scheme issued, subscribed and paid up capital is directly and through its nominees (100% legally and beneficially) held by STL.*

The share capital of our Company, post the Scheme of Arrangement, is set out below:

| Particulars                                            | Aggregate Nominal Amount (in Rs.) |
|--------------------------------------------------------|-----------------------------------|
| <b>Authorized Share Capital</b>                        |                                   |
| 75,00,00,000 Equity Shares of face value of Rs. 2 each |                                   |
| <b>Total</b>                                           | <b>1,50,00,00,000</b>             |
| <b>Issued, Subscribed and Paid-up Share Capital</b>    |                                   |
| 48,79,21,086 Equity Shares of face value of Rs. 2 each |                                   |
| <b>Total</b>                                           | <b>97,58,42,172</b>               |
| <b>Securities Premium</b>                              | <b>0.00</b>                       |

### Notes to Capital Structure

#### 1. Share Capital History of our Company

##### (a) Equity Share Capital

The history of the equity share capital of our Company since its incorporation is set out below:

| Date of allotment /fully paid up | Nature of allotment                                   | Nature of consideration       | No. of Equity Shares allotted | Face value (Rs.) | Issue price (Rs.) | Cumulative number of Equity Shares | Cumulative paid-up share capital (Rs.) | Names of Allotees                                                                                                                                                                                                 |
|----------------------------------|-------------------------------------------------------|-------------------------------|-------------------------------|------------------|-------------------|------------------------------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| March 26, 2021                   | Initial Subscription to the Memorandum of Association | Cash                          | 50,000                        | 10               | 10                | 50,000                             | 5,00,000                               | STL <sup>(1)</sup>                                                                                                                                                                                                |
| March 21, 2025                   | Share Split                                           | -                             | 2,50,000                      | 2                | 2                 | 2,50,000                           | 5,00,000                               | STL <sup>(2)</sup>                                                                                                                                                                                                |
| March 31, 2025                   | Cancellation of Equity Shares                         | -                             | -                             | 2                | N.A               | 2,50,000                           | 5,00,000                               | N.A <sup>(3)</sup>                                                                                                                                                                                                |
| April 28, 2025                   | Allotment pursuant to the Scheme                      | Consideration other than cash | 48,79,21,086                  | 2                | N.A               | 48,79,21,086                       | 97,58,42,172                           | Allotment was made to the shareholders of STL whose names appeared in the Register of Members of STL or in the Register of Beneficial Owners maintained by the Depositories as on the Record Date. <sup>(4)</sup> |

(1) Allotment of 49,994 Equity Shares to STL, 1 Equity Share to Mr. Mihir KirtiKumar Modi, 1 Equity Share to Mr. Venkatesh

*Murthy, 1 Equity Share to Mr. Ankit Agarwal, 1 Equity Share to Mr. Sangeet Kaur Hunjan, 1 Equity Share to Mr. Navin Kumar Sharma, 1 Equity Share to Ms. Mrunal Vasant Dixit as nominees of STL.*

- (2) *Post split Equity Shares allocation of 2,49,970 Equity Shares to STL, 5 Equity Share to STL jointly with Mr. Ajay Jhanjhari, 5 Equity Share to STL jointly with Mr. Venkatesh Murthy, 5 Equity Share to STL jointly with Mr. Ankit Agarwal, 5 Equity Share to STL jointly with Mr. Gopal Chandra Rastogi, 5 Equity Share to STL jointly with Mr. Badri Narayan Gomatam, and 5 Equity Share to STL jointly with Ms. Mrunal Vasant Dixit.*
- (3) *Cancellation of 2,50,000 Equity Shares held by STL, STL jointly with Mr. Ajay Jhanjhari, STL jointly with Mr. Venkatesh Murthy, STL jointly with Mr. Ankit Agarwal, STL jointly with Mr. Gopal Chandra Rastogi, STL jointly with Mr. Badri Narayan Gomatam, and STL jointly with Ms. Mrunal Vasant Dixit.*
- (4) *Allotment of 48,79,21,086 Equity Shares to the Eligible Shareholders of STL as on the Record Date, pursuant to the Scheme.*

**(b) Preference Share Capital History of our Company**

Our Company does not have any Preference Share Capital as on date of this Information Memorandum.

**2. Changes in Authorized Share Capital**

Set out below are the changes in the capital since the incorporation of our Company:

| <b>Date</b>    | <b>Particulars</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| March 21, 2025 | The total Authorized Share Capital of the Company being Rs. 5,00,000 (Five Lakh) divided into 50,000 (Fifty Thousand) Equity Shares of Rs. 10 (Ten) each, was split such that the Equity Shares having face value of Rs.10/- (Rupees Ten Only) were sub-divided into 5 (Five) equity shares of face value of Rs. 2 (Rupees Two Only) accordingly the total Authorized Share Capital of the Company was changed to Rs. 5,00,000 (Five Lakh) divided into 2,50,000 (Two Lakh Fifty Thousand) Equity Shares of Rs. 2 (Two) each. |
| March 21, 2025 | The total Authorized Share Capital of the Company being Rs. 5,00,000 (Five Lakh) divided into 2,50,000 (Two Lakh Fifty Thousand) Equity Shares of Rs. 2 (Two) each, was increased to Rs. 150,00,00,000 (Rupees One Hundred and Fifty Crores) divided into 75,00,00,000 (Seventy-Five Crores) equity shares of Rs. 2 (Rupees Two) each.                                                                                                                                                                                        |

**3. Equity Shares issued for consideration other than cash**

Other than the Equity Shares allotted by our Company pursuant to and in accordance with the Scheme, our Company has not issued Equity Shares for consideration other than cash, on the date of this Information Memorandum.

**4. Equity Shares issued out of revaluation of reserves**

Our Company has not issued any Equity Shares out of revaluation of reserves or unrealized profits.

**5. Shares issued pursuant to the Scheme of Arrangement approved under Sections 230 to 232 of the Companies Act, 2013**

The NCLT, Mumbai, by way of order dated February 14, 2025, has approved the Scheme of Arrangement pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013. Pursuant to the Scheme of Arrangement, our Company has issued and allotted 48,79,21,086 Equity Shares of face value of Rs. 2 each to the shareholders of STL, as on the Record Date i.e. April 24, 2025. For more details see “Scheme of Arrangement” on page 43.

**6. Employee stock option schemes of the Company**

The shareholders of our Company have approved the special purpose - ESOP Scheme in accordance with Clause 10 of the Scheme. As on date, there are no outstanding options granted by our Company under the ESOP Scheme.

## 7. Shareholding Pattern

(a) The shareholding pattern of our Company, prior to allotment of Equity Shares under the Scheme is as under:

| Category | Category of Shareholder       | No. of Shareholders | No. of fully paid-up Equity Shares held | No. of partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total no. of shares held  | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities |             |             |                             | No. of Shares Underlying Outstanding convertible securities (including warrants) | Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | No. of Locked in shares |                                 | No. of Shares pledged or otherwise encumbered |                                 | No. of equity shares held in dematerialised form |
|----------|-------------------------------|---------------------|-----------------------------------------|------------------------------------------|----------------------------------------------|---------------------------|---------------------------------------------------------------------------|----------------------------------------------------------|-------------|-------------|-----------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------|-----------------------------------------------|---------------------------------|--------------------------------------------------|
|          |                               |                     |                                         |                                          |                                              |                           |                                                                           | No. of Voting Rights                                     |             |             | Total as a % of (A + B + C) |                                                                                  |                                                                                                                   | No. (a)                 | As a % of total Shares held (b) | No. (a)                                       | As a % of total Shares held (b) |                                                  |
|          |                               |                     |                                         |                                          |                                              |                           |                                                                           | Class eg: X                                              | Class eg: Y | Total       |                             |                                                                                  |                                                                                                                   |                         |                                 |                                               |                                 |                                                  |
| (I)      | (II)                          | (III)               | (IV)                                    | (V)                                      | (VI)                                         | (VII) = (IV) + (V) + (VI) | (VIII)                                                                    | (IX)                                                     |             |             |                             | (X)                                                                              | (XI)                                                                                                              | (XII)                   |                                 | (XIII)                                        |                                 | (XIV)                                            |
| (A)      | Promoter and Promoter Group   | 7                   | 2,50,000.00                             | 0.00                                     | 0.00                                         | 2,50,000.00               | 100.00                                                                    | 2,50,000.00                                              | 0.00        | 2,50,000.00 | 100.00                      | 0                                                                                | 100.00                                                                                                            | 0.00                    | 0.00                            | 0.00                                          | 0.00                            | 0.00                                             |
| (B)      | Public                        | 0.00                | 0.00                                    | 0.00                                     | 0.00                                         | 0.00                      | 0.00                                                                      | 0.00                                                     | 0.00        | 0.00        | 0.00                        | 0.00                                                                             | 0.00                                                                                                              | 0.00                    | 0.00                            | 0.00                                          | 0.00                            | 0.00                                             |
| (C)      | Non Promoter-Non Public       | 0.00                | 0.00                                    | 0.00                                     | 0.00                                         | 0.00                      | 0.00                                                                      | 0.00                                                     | 0.00        | 0.00        | 0.00                        | 0.00                                                                             | 0.00                                                                                                              | 0.00                    | 0.00                            | 0.00                                          | 0.00                            | 0.00                                             |
| (C1)     | Shares Underlying DRs         | 0.00                | 0.00                                    | 0.00                                     | 0.00                                         | 0.00                      | 0.00                                                                      | 0.00                                                     | 0.00        | 0.00        | 0.00                        | 0.00                                                                             | 0.00                                                                                                              | 0.00                    | 0.00                            | 0.00                                          | 0.00                            | 0.00                                             |
| (C2)     | Shares Held By Employee Trust | 0.00                | 0.00                                    | 0.00                                     | 0.00                                         | 0.00                      | 0.00                                                                      | 0.00                                                     | 0.00        | 0.00        | 0.00                        | 0.00                                                                             | 0.00                                                                                                              | 0.00                    | 0.00                            | 0.00                                          | 0.00                            | 0.00                                             |
|          | Total                         | 7.00                | 2,50,000.00                             | 0.00                                     | 0.00                                         | 2,50,000.00               | 100.00                                                                    | 2,50,000.00                                              | 0.00        | 2,50,000.00 | 100.00                      | 0.00                                                                             | 100.00                                                                                                            | 0.00                    | 0.00                            | 0.00                                          | 0.00                            | 0.00                                             |

(b) The shareholding pattern of our Company post allotment of Equity Shares under the Scheme is as under:

| Category | Category of Shareholder       | No. of Shareholders | No. of fully paid-up Equity Shares held | No. of partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total no. of shares held  | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities |             |              |                             | No. of Shares underlying outstanding convertible securities (including warrants) | Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | No. of Locked in shares |                                 | No. of Shares pledged or otherwise encumbered |                                 | No. of equity shares held in dematerialised form |
|----------|-------------------------------|---------------------|-----------------------------------------|------------------------------------------|----------------------------------------------|---------------------------|---------------------------------------------------------------------------|----------------------------------------------------------|-------------|--------------|-----------------------------|----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------|-----------------------------------------------|---------------------------------|--------------------------------------------------|
|          |                               |                     |                                         |                                          |                                              |                           |                                                                           | No. of Voting Rights                                     |             |              | Total as a % of (A + B + C) |                                                                                  |                                                                                                                   | No. (a)                 | As a % of total Shares held (b) | No. (a)                                       | As a % of total Shares held (b) |                                                  |
|          |                               |                     |                                         |                                          |                                              |                           |                                                                           | Class eg: X                                              | Class eg: Y | Total        |                             |                                                                                  |                                                                                                                   |                         |                                 |                                               |                                 |                                                  |
| (I)      | (II)                          | (III)               | (IV)                                    | (V)                                      | (VI)                                         | (VII) = (IV) + (V) + (VI) | (VIII)                                                                    | (IX)                                                     |             |              |                             | (X)                                                                              | (XI)                                                                                                              | (XII)                   |                                 | (XIII)                                        |                                 | (XIV)                                            |
| (A)      | Promoter and Promoter Group   | 11                  | 21,54,43,766                            | 0.00                                     | 0.00                                         | 21,54,43,766              | 44.16                                                                     | 21,54,43,766                                             | 0.00        | 21,54,43,766 | 44.16                       | 0.00                                                                             | 44.16                                                                                                             | 0.00                    | 0.00                            | 0.00                                          | 0.00                            | 21,54,43,766                                     |
| (B)      | Public                        | 2,38,758            | 27,24,77,320                            | 0.00                                     | 0.00                                         | 27,24,77,320              | 55.84                                                                     | 27,24,77,320                                             | 0.00        | 27,24,77,320 | 55.84                       | 0.00                                                                             | 55.84                                                                                                             | 0.00                    | 0.00                            | 0.00                                          | 0.00                            | 27,07,73,760                                     |
| (C)      | Non Promoter-Non Public       | 0.00                | 0.00                                    | 0.00                                     | 0.00                                         | 0.00                      | 0.00                                                                      | 0.00                                                     | 0.00        | 0.00         | 0.00                        | 0.00                                                                             | 0.00                                                                                                              | 0.00                    | 0.00                            | 0.00                                          | 0.00                            | 0.00                                             |
| (C1)     | Shares Underlying DRs         | 0.00                | 0.00                                    | 0.00                                     | 0.00                                         | 0.00                      | 0.00                                                                      | 0.00                                                     | 0.00        | 0.00         | 0.00                        | 0.00                                                                             | 0.00                                                                                                              | 0.00                    | 0.00                            | 0.00                                          | 0.00                            | 0.00                                             |
| (C2)     | Shares Held By Employee Trust | 0.00                | 0.00                                    | 0.00                                     | 0.00                                         | 0.00                      | 0.00                                                                      | 0.00                                                     | 0.00        | 0.00         | 0.00                        | 0.00                                                                             | 0.00                                                                                                              | 0.00                    | 0.00                            | 0.00                                          | 0.00                            | 0.00                                             |
|          | Total                         | 2,38,769            | 48,79,21,086                            | 0.00                                     | 0.00                                         | 48,79,21,086              | 100.00                                                                    | 48,79,21,086                                             | 0.00        | 48,79,21,086 | 100.00                      | 0.00                                                                             | 100.00                                                                                                            | 0.00                    | 0.00                            | 0.00                                          | 0.00                            | 48,62,17,526                                     |

## 8. Major Shareholders:

### (a) Shareholders holding 1% of the Paid-Up Share Capital of the Company:

The details of the shareholders of our Company holding 1% or more of the paid-up equity share capital of our Company as on the date of this Information Memorandum :

| Sr. No. | Name of the Shareholder                     | No. Of Equity Shares   | Paid-Up Share Capital (%) |
|---------|---------------------------------------------|------------------------|---------------------------|
| 1.      | Twin Star Overseas Limited                  | 20,94,02,750.00        | 42.918                    |
| 2.      | HDFC Value Fund                             | 84,03,361.00           | 1.722                     |
| 3.      | Bandhan Flexi Cap Fund                      | 69,53,879.00           | 1.425                     |
| 4.      | Bandhan ELSS Tax Saver Fund                 | 67,00,000.00           | 1.373                     |
| 5.      | Bandhan Sterling Value Fund                 | 62,00,000.00           | 1.271                     |
| 6.      | Life Insurance Corporation of India         | 57,21,851.00           | 1.173                     |
| 7.      | HDFC Mutual Fund - HDFC Dividend Yield Fund | 50,42,017.00           | 1.033                     |
|         | <b>Total</b>                                | <b>24,84,23,858.00</b> | <b>50.914</b>             |

### (b) Shareholders holding 1% or more of the paid-up share capital of the Company as of Two Years Prior to the date of this Information Memorandum :

| Sr. No. | Name of the Shareholder | No. of Equity Shares | Percentage of the paid-up share capital (%) |
|---------|-------------------------|----------------------|---------------------------------------------|
| 1.      | STL*                    | 50,000               | 100                                         |
|         | <b>Total</b>            | <b>50,000</b>        | <b>100</b>                                  |

\*Allotment of 49,994 Equity Shares to STL, 1 Equity Share to Mr. Mihir KirtiKumar Modi, 1 Equity Share to Mr. Venkatesh Murthy, 1 Equity Share to Mr. Ankit Agarwal, 1 Equity Share to Mr. Sangeet Kaur Hunjan, 1 Equity Share to Mr. Navin Kumar Sharma, 1 Equity Share to Ms. Mrunal Vasant Dixit as nominees of STL

### (c) Shareholders holding 1% or more of the paid-up share capital of the Company as of One Year Prior to the date of this Information Memorandum :

| Sr. No. | Name of the Shareholder | No. of Equity Shares | Percentage of the paid-up share capital (%) |
|---------|-------------------------|----------------------|---------------------------------------------|
| 1.      | STL*                    | 50,000               | 100                                         |
|         | <b>Total</b>            | <b>50,000</b>        | <b>100</b>                                  |

\*Allotment of 49,994 Equity Shares to STL, 1 Equity Share to Mr. Mihir KirtiKumar Modi, 1 Equity Share to Mr. Venkatesh Murthy, 1 Equity Share to Mr. Ankit Agarwal, 1 Equity Share to Mr. Sangeet Kaur Hunjan, 1 Equity Share to Mr. Navin Kumar Sharma, 1 Equity Share to Ms. Mrunal Vasant Dixit as nominees of STL.

### (d) Shareholders holding 1% or more of the paid-up share capital of the Company as of 10 days prior to the date of this Information Memorandum:

| Sr. No. | Name of the Shareholder                     | No. Of Equity Shares   | Paid-Up Share Capital (%) |
|---------|---------------------------------------------|------------------------|---------------------------|
| 1.      | Twin Star Overseas Limited                  | 20,94,02,750.00        | 42.918                    |
| 2.      | HDFC Value Fund                             | 84,03,361.00           | 1.722                     |
| 3.      | Bandhan Flexi Cap Fund                      | 69,53,879.00           | 1.425                     |
| 4.      | Bandhan Elss Tax Saver Fund                 | 67,00,000.00           | 1.373                     |
| 5.      | Bandhan Sterling Value Fund                 | 62,00,000.00           | 1.271                     |
| 6.      | Life Insurance Corporation of India         | 57,21,851.00           | 1.173                     |
| 7.      | HDFC Mutual Fund - HDFC Dividend Yield Fund | 50,42,017.00           | 1.033                     |
|         | <b>Total</b>                                | <b>24,84,23,858.00</b> | <b>50.914</b>             |

## 9. Intention to Alter Share Capital:

Except to the extent required to comply with applicable law and except for the purpose of issuing securities to the employees of the Company in accordance an employee benefit plan duly adopted by the Company, our Company, presently, does not intend nor does it propose to alter its capital structure for a period of 6 (six) months from the date of this Information Memorandum, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise.

However, for the purposes for meeting growth capital requirements of our Company and/or its Subsidiaries/Joint Venture or for acquisitions, joint ventures, other arrangements, our Company may, subject to necessary approvals, raise capital by further issue of equity shares and/or other securities through any mode available under applicable law.

**10. Shareholding of each of the Promoters and Build-up of Promoter's Shareholding in the Company:**

As of the date of this Information Memorandum, our individual Promoter, Mr. Anil Agarwal does not directly hold any Equity Shares in our Company. As of the date of this Information Memorandum, our corporate Promoter, Twin Star Overseas Limited holds 20,94,02,750 Equity Shares, equivalent to 42.918% of the issued, subscribed and paid-up equity share capital of our Company.

*(a) Build-up of our Promoter's shareholding in our Company*

Set forth below is the build-up of the shareholding of our Promoter:

| Date of Allotment / Transfer      | Nature of Allotment                                                                                                                                                                                | No. of Equity Shares | Nature of consideration | Face value per Equity Share | Issue price/ Transfer Price per Equity Share | Percentage of the pre-Scheme capital (%) | Percentage of the post-Scheme capital (%) | No. of Equity Shares pledged, if any |
|-----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-------------------------|-----------------------------|----------------------------------------------|------------------------------------------|-------------------------------------------|--------------------------------------|
| <b>Anil Agarwal</b>               |                                                                                                                                                                                                    |                      |                         |                             |                                              |                                          |                                           |                                      |
| 0                                 | 0                                                                                                                                                                                                  | 0                    | 0                       | 0                           | 0                                            | 0                                        | 0                                         | 0                                    |
| <b>Twin Star Overseas Limited</b> |                                                                                                                                                                                                    |                      |                         |                             |                                              |                                          |                                           |                                      |
| April 28, 2025                    | Allotment was made to the shareholders of STL whose names appeared in the Register of Members of STL or in the Register of Beneficial Owners maintained by the Depositories as on the Record Date. | 20,94,02,750         | Other than Cash         | 2                           | 2                                            | 0                                        | 42.918                                    | 0                                    |

**11. Number of Shareholders of the Company:**

As of the date of this Information Memorandum, our Company has 2,38,769 shareholders.

**12. Shareholding of our Promoter Group and directors/partners of our corporate Promoters:**

Details of Equity Shares held by the Promoters, Promoter Group and directors of the Promoter entities, as on the date of this Information Memorandum:

| Sr. No.               | Name of the Shareholder    | No. of Equity Shares | % of paid-up capital |
|-----------------------|----------------------------|----------------------|----------------------|
| <b>Promoters</b>      |                            |                      |                      |
| 1.                    | Twin Star Overseas Limited | 20,94,02,750         | 42.918               |
| 2.                    | Anil Agarwal               | 0                    | 0                    |
| <b>Sub-Total (A)</b>  |                            | <b>20,94,02,750</b>  | <b>42.918</b>        |
| <b>Promoter Group</b> |                            |                      |                      |
| 1.                    | Vedanta Limited            | 47,64,295            | 0.977                |
| 2.                    | Ankit Agarwal              | 8,38,676             | 0.172                |
| 3.                    | Navin Agarwal              | 2,86,945             | 0.059                |

|                                                      |                             |                     |               |
|------------------------------------------------------|-----------------------------|---------------------|---------------|
| 4.                                                   | Pratik Pravin Agarwal       | 52,500              | 0.011         |
| 5.                                                   | Pravin Agarwal              | 50,000              | 0.011         |
| 6.                                                   | Sonakshi Agarwal            | 21,000              | 0.005         |
| 7.                                                   | Ruchira Agarwal             | 16,000              | 0.004         |
| 8.                                                   | Jyoti Agarwal               | 11,500              | 0.003         |
| 9.                                                   | Pravin Agarwal Family Trust | 100                 | 0.000         |
| <b>Sub-Total (B)</b>                                 |                             | <b>60,41,016</b>    | <b>1.242</b>  |
| <b>Total (A+B)</b>                                   |                             | <b>21,54,43,766</b> | <b>44.160</b> |
| <b>Directors of our Company's Corporate Promoter</b> |                             |                     |               |
| 1.                                                   | Bhavana Banymandhub         | 0                   | 0             |
| 2.                                                   | Savinilorna Payandi         | 0                   | 0             |
| 3.                                                   | Pillay Ramen                | 0                   | 0             |
| 4.                                                   | Vegambal Ramassami          | 0                   | 0             |
| <b>Sub-Total (C)</b>                                 |                             | <b>0</b>            | <b>0</b>      |
| <b>Total (A+B+C)</b>                                 |                             | <b>21,54,43,766</b> | <b>44.160</b> |

None of the members of our Promoter Group and/or our Promoters and/or our directors and their relatives have purchased or sold Equity Shares of the Company during the six months immediately preceding the date of this Information Memorandum.

**13. Details of Equity Shares held by the Directors/ Key Managerial Personnel of the Company:**

By virtue of their respective shareholding in SNL as on Record Date, the following Directors and Key Managerial Personnel have been allotted Equity Shares by our Company:

| <b>Sr. No.</b> | <b>Name of Director or Key Managerial Personnel</b> | <b>Number of Equity Shares</b> |
|----------------|-----------------------------------------------------|--------------------------------|
| 1.             | Ankit Agarwal                                       | 8,38,676                       |
| 2.             | Pravin Agarwal                                      | 50,000                         |
| 3.             | Gopal Chandra Rastogi                               | 12,244                         |
| 4.             | Meenal Bansal                                       | 500                            |
| <b>Total</b>   |                                                     | <b>9,01,420</b>                |

14. As on the date of this Information Memorandum, none of the Equity Shares held by our Promoter are pledged.
15. Except for the Equity Shares allotted under the Scheme of Arrangement our Promoter, our Promoter Group, our Directors of the Corporate Promoter and their relatives have not purchased or sold any Equity Shares during the period of six months immediately preceding the date of this Information Memorandum.
16. There are/have been no financing arrangements whereby our Promoter, any member of our Promoter Group, or our Directors and their relatives have financed the purchase by any other person of securities of our Company during the six months immediately preceding the date of this Information Memorandum.
17. In accordance with sub-paragraph I, paragraph A of Part II of the SEBI Scheme Circular, no additional lock-in is applicable to our Promoter and the shareholders of our Company, since the shareholding of our Company post effectiveness of the Scheme is exactly similar to the shareholding pattern of STL.
18. The Equity Shares of our Company are fully paid and there are no partly paid up Equity Shares as on the date of this Information Memorandum.
19. There is no lead manager appointed in relation to the listing of the Equity Shares, thereby the disclosure requirement to disclose the shareholding of the lead manager and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) in our Company is not applicable.
20. As on the date of this Information Memorandum, there are no outstanding warrants, options or convertible securities, including any outstanding warrant or rights to convert debentures, loans, or other instruments into Equity Shares.
21. Except the allotment of the Equity Shares pursuant to the Scheme, no Equity Shares have been allotted pursuant to a scheme approved under Sections 230 to 232 of the Companies Act, 2013.
22. No Equity Shares of the Company have been acquired by our Promoter, Promoter Group, in the three years

preceding the date of this Information Memorandum.

23. The Company and our Directors have not entered into any buy-back, standby, or similar arrangements to purchase Equity Shares of our Company from any person, in relation to the proposed listing of the Equity Shares of our Company.
24. There shall be only one denomination of Equity Shares of our Company, subject to applicable regulations and our Company shall comply with such disclosure and accounting norms specified by SEBI, from time to time.



## SCHEME OF ARRANGEMENT

### Details of the Scheme of Arrangement

The Scheme was approved by the Board of Directors of each of STL and SNL by way of their respective resolutions dated May 17, 2023. There have been no updates or amendments to the Scheme of Arrangement between STL and SNL, and their respective shareholders and creditors, since its approval by the Board of Directors of STL and SNL on May 17, 2023. Pursuant to the order of the NCLT dated April 17, 2024, meeting of the equity shareholders of STL was convened and the Scheme was approved at the NCLT- convened meeting on July 10, 2024.

The NCLT, Mumbai, by way of order dated February 14, 2025 (the certified copy whereof was received on March 18, 2025) has approved the Scheme, pursuant to provisions of Sections 230 to 232 of the Companies Act. The Scheme provides for the demerger of the Demerged Undertaking of STL into SNL and the consequent issuance of 48,79,21,086 (Forty-Eight Crores Seventy-Nine Lakhs Twenty-One Thousand and Eighty-Six) Equity Shares of Rs. 2 (Rupees Two) each of our Company to the Eligible Shareholders of STL.

### The text of the Rationale as provided in the Scheme of Arrangement:

#### Quote

1. *The Global Services Business and other business verticals of the Demerged Company have been commenced and nurtured over different periods of time. They are currently at different stages of growth and maturity with each having distinct market dynamics, geographic focus, strategy, capital requirements and investor interest. The Demerged Undertakings and the Remaining Undertaking have both achieved scale and experience to sustain business independently in terms of profitability, turnover, order book, customer profile, talent, etc. Hence, segregation of the Demerged Undertaking into a separate entity would enable focused managements to explore the potential business opportunities more effectively and efficiently in the respective business;*
2. *The nature of opportunities, growth areas, risk and competition inherent in the Global Services Business is distinct from the remaining undertaking of the Demerged Company, since it is subject to distinct business cycle and market structure, necessitating different management approaches, focus and it is capable of attracting different set of investors, strategic partners, talent, lenders and other stakeholders.*
3. *Further growth and expansion of the Global Services Business would require a differentiated strategy aligned to its industry specific risks, market dynamics and growth trajectory. Moreover, the Global Services Business has now reached a meaningful scale and will be able to benefit by becoming independently focused company.*
4. *The Government of India's commitment to BharatNet phase three, which is a \$ 10 billion plus program, gives an opportunity to the Demerged Company to grow its core business, i.e. the Optical Network Business and also provides consequent opportunities for the Global Services Business. Similarly, the Demerged Company is seeing an acceleration on the 5G deployment front which is driving requirement for fiber roll-out for network. In light of the above, there is a need for the activities of the Global Services Business and the other businesses of the Demerged Company to be organized and managed in a distinct way to tap in on the opportunities arising from the growing demand of telecom infrastructure in the country.*
5. *Thus, the Demerger is expected to lead to following benefits:*
  - (i) *allowing respective businesses to create a strong and distinct platform which enables greater flexibility to pursue long-term objectives;*
  - (ii) *better alignment of the respective businesses to its customers and to improve competitiveness, operational efficiencies and strengthen its position in the relevant marketplace resulting in a more sustainable long-term growth and competitive edge;*
  - (iii) *enabling accelerated growth of ONB and allowing the GSB to explore suitable strategies to fund its growth plan;*
  - (iv) *creation of an independent company focusing exclusively on GSB and exploring opportunities in the said sector. The independent company can attract different sets of investors, strategic partners, lenders and other stakeholders who have a specific interest in the GSB;*
  - (v) *the Demerger and consequent issue of equity shares by the Resulting Company are proposed to allow shareholders of the Demerged Company and investors to invest in the distinct key businesses and allow shareholders to unlock the value of their investments.*

- (vi) *dedicated and specialized management focus on the specific needs of the respective businesses.*
6. *In order to effect the segregation of the Global Services Business from the other businesses of the Demerged Company, it is proposed to transfer the Global Services Business to the Resulting Company by way of Demerger in accordance with Sections 230-232 of the Act.*
  7. *Accordingly, the Scheme is expected to be in the best interests of both companies and their respective shareholders, employees and creditors.*
  8. *This Scheme accordingly provides for the transfer by way of Demerger of the Demerged Undertaking from the Demerged Company to the Resulting Company, and the consequent issue Of equity shares by the Resulting Company to the shareholders of the Demerged Company in accordance with the Share Entitlement Ratio (as hereinafter defined) and various Other matters consequential or integrally connected therewith, including the reorganization of the share capital of the Resulting Company, pursuant to Sections 230-232 and other applicable provisions of the Act. the SEBI Scheme Circular and in compliance with the Income Tax Act, 1961 ("IT Act") including Section 2(19AA) thereof.*

### **Appointed Date and Effective Date of the Scheme of Arrangement**

The Appointed Date of the Scheme is April 1, 2023. Further, the Effective Date means the close of business hours of March 31, 2025.

### **Salient Features of the Scheme of Arrangement**

#### ***Transfer and Vesting of Demerged Undertaking***

Pursuant to the Scheme of Arrangement and with effect from the Appointed Date, the Demerged Undertaking shall, in accordance with Section 2(19AA) of the IT Act and pursuant to Sections 230 to 232 and other applicable laws, without any further act, instrument or deed, be demerged from the Demerged Company and stand transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company as a going concern, in the manner set out in the Scheme.

#### ***Consideration***

Upon the Scheme becoming effective and in consideration of transfer and vesting of the Demerged Undertaking from STL to the Company in terms of the Scheme, the Company has issued and allotted 48,79,21,086 (Forty-Eight Crores Seventy-Nine Lakhs Twenty-One Thousand and Eighty-Six) Equity Shares of Rs. 2 (Rupees Two) each to the shareholders of STL as on the Record Date, in the following manner:

‘1 equity shares of the face value of Rs. 2 each fully paid-up of the Resulting Company shall be issued and allotted for every 1 equity share of face value Rs. 2 each fully paid up held by equity shareholders of the Demerged Company.’

#### ***Cancellation of share capital***

Pursuant to the provisions of Sections 230 to 232 of the Companies Act, the shareholding of STL in the Company has been cancelled without any further act, w.e.f. Effective Date, instrument or deed, immediately following the issuance of the Equity Shares in accordance with and as an integral part of the Scheme.

#### ***Conditions precedent to the Scheme of Arrangement***

The Scheme is conditional upon and subject to the following conditions precedent:

- (i) the Scheme being approved by the respective requisite majorities of the various classes of shareholders and/or creditors, including but not limited to the NCD holders, of the Demerged Company through e-voting (as applicable), after disclosure of all material facts in the explanatory statement sent to them in relation to such resolution, as required under the Companies Act or as may be directed by the Tribunal;
- (ii) the Scheme being sanctioned by the Tribunal in terms of Sections 230 to Section 232 and other relevant provisions of the Companies Act;

- (iii) the certified copies of the sanction order(s) of the Tribunal approving this Scheme being filed with the jurisdictional Registrar of Companies; and
- (iv) such other approvals and sanctions including sanction of any appropriate authority as may be required by law or contract in respect of the Scheme.

#### **Approval for the Scheme of Arrangement**

The NCLT by its order dated February 14, 2025 has sanctioned the Scheme. In accordance with the said Scheme, the Equity Shares of our Company were issued to the Eligible Shareholders. Subject to applicable regulations, the Equity Shares of our Company shall be listed and admitted to trading on the Stock Exchanges. Such listing and admission for trading is not automatic and will be subject to such other terms and conditions as may be prescribed by the Stock Exchanges at the time of application by our Company seeking listing.

## STATEMENT OF TAX BENEFITS

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS, UNDER THE APPLICABLE TAX LAWS IN INDIA

**The Board of Directors  
STL Networks Limited**

4th Floor, Godrej Millennium,  
Koregaon Road 9, STS 12/1,  
Pune, Pune, Maharashtra,  
India, 411001

Dear Sir/Madam,

1. We have been requested by the Company to issue a report on the special tax benefits available to the Company and its shareholders attached for inclusion in the Information Memorandum in connection with the proposed listing of Equity Shares of STL Networks Limited. We hereby confirm that the enclosed Annexure 1 to 2 (together the "Annexures") prepared by the Company, provides the special tax benefits available to the Company and to the shareholders of the Company and its material subsidiaries under: -

- The Income Tax Act, 1961 (The "Act") as amended by Finance Act, 2025 applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India; and the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and the applicable State / Union Territory Goods and Services Tax Act, 2017 ("GST Acts") as amended from time to time, the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") as amended from time to time, rules, regulations, circulars and notifications issued thereunder and Foreign Trade Policy 2015-20 as extended till 31.03.2023 vide Notification No. 37/2015-20 dated 29.09.2022 (unless otherwise specified), presently in force in India. Further, the Government has notified The Foreign Trade Policy, 2023 Vide Notification No 01/2023 that has come into force from 01 April 2023.

The Act, the GST Acts, Customs Act and Tariff Act as defined above, are collectively referred to as Acts.

2. Several of these benefits are dependent on the Company, material subsidiaries or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Relevant Acts. Hence, the ability of the Company to derive the tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in Annexures is the responsibility of the management of the Company. We are informed that these Annexures are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of the proposed Listing of Equity Shares of the Company pursuant to the Scheme of Arrangement between STL Networks Limited and its Shareholders and Creditors and Sterlite Technologies Limited and its Shareholders and creditors by the Company which has been approved by the NCLT vide order dated 14<sup>th</sup> Feb 2025. Neither we are suggesting nor advising the investors to invest money based on this Statement.
4. We do not express any opinion or provide any assurance as to whether:
  1. the Company or its shareholders will continue to obtain these benefits in future.
  2. the conditions prescribed for availing the benefits have been / would be met with; and
  3. the revenue authorities/courts will concur with the views expressed herein.
5. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and

operations of the Company and its material subsidiaries.

6. Further, we give no assurance that the revenue authorities/courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this Statement, except as per applicable law.
7. We hereby give consent to include this Statement in the Information Memorandum and in any other material used in connection with the Proposed Listing of Equity Shares of the Company and submission of this Statement to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are proposed to be listed and the Registrar of Company of Maharashtra at Pune in connection with the Proposed Listing, as the case may be, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For Agarwal Ankur and Co.**  
**Chartered Accountants**

**CA. Ankur Agarwal**  
**M. No.-509318**  
**FRN-021425C**  
**Place: Gurgaon**  
**Date: 01/05/2025**  
**UDIN: 25509318BMGXNQ5868**

## ANNEXURE I

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO STL NETWORKS LIMITED ('THE COMPANY') AND ITS SHAREHOLDERS UNDER THE DIRECT TAX LAW IN INDIA

**Under the Income-tax Act, 1961 (hereinafter referred to as 'the Act') as amended by the Finance Act 2025 read with the Income-tax Rules, 1962, i.e. applicable for the Financial Year 2025-26 relevant to Assessment Year 2026-27**

The information provided below sets out the special tax benefits available to the Company, its equity shareholders under the Income-tax Act, 1961 ('the Act') presently in force in India as amended by the Finance Act, 2025 and is subject to change, possibly with retroactive effect. It is not an exhaustive or comprehensive description of all tax considerations which may be relevant to a decision to purchase, own or dispose of the equity shares. In particular, the information does not consider any specific facts or circumstances that may apply to a particular investor and does not purport to deal with the tax consequences applicable to all categories of investors some of which may be subject to tax treaty benefits or special rules. Neither these statements nor any other statements in this document are intended to be a substitute for professional tax advice. Prospective investors are advised to consult their own tax consultant with respect to the tax implications arising in India and each country of which they are tax residents regarding the purchase, ownership and disposition of an investment in the equity shares in their specific situation particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Additionally, in view of the number of jurisdictions where local laws may apply, this document does not discuss the local tax consequences to a potential holder, purchaser and seller arising from the acquisition, holding or disposition of the equity shares. Prospective investors must therefore inform themselves as to any tax, exchange control legislation or other laws and regulations in force relating to the purchase, holding or disposition of the equity shares at their place of ordinance, and the countries of which they are citizens or countries of purchase, holding or disposition of the equity shares of the Company.

#### 1. GENERAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY UNDER THE ACT

**The following benefits are available to the Company:**

##### 1.1. Lower corporate tax rate under Section 115BAA of the Act

Section 115BAA of the Act was inserted by the Taxation Laws (Amendment) Act, 2019 ("the Amendment Act 2019") w.e.f. April 1, 2020 (i.e. FY 2019-20) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and health and education cess of 4%). The said benefit is available subject to compliance with the various conditions mentioned therein including specific restrictions on claiming deductions/ incentives etc. specified in sub-section (2) of section 115BAA of the Act.

The Amendment Act, 2019 further provides that domestic companies availing such option will not be subject to Minimum Alternate Tax ('MAT') under Section 115JB of the Act.

Domestic company is required to exercise its option of being governed under the concessional tax regime as per the applicable rules on or before the due date of filing of its tax return. Once exercised, the option cannot be withdrawn and is applicable to all subsequent tax years.

| Entity               | Financial Year in which option u/s 115BAA |
|----------------------|-------------------------------------------|
| STL Networks Limited | FY 2023-24 (AY 2024-25)                   |

##### 1.2. Deduction of expenditure incurred on Scientific Research

In accordance with section 35(1)(iv) of the Act and subject to the requirements provided therein, as the Company is engaged in R&D activities, it can claim deduction of 100% of capital expenditure incurred on scientific research related to its business (except expenditure incurred for acquisition of land).

Further, the aforesaid deduction remains available even if the Company has opted for lower tax rate regime under section 115BAA as discussed at para 1.1 above.

## **General benefits while computing total taxable income**

### **1.1. Eligibility to claim deductions from Gross Total Income**

#### **1.1.1. Section 32 of the Act – Depreciation Allowance**

As per section 32(1) of the Act, the Company can claim depreciation allowance at the prescribed rates in respect of its tangible and intangible assets.

However, the Company is not entitled for the additional depreciation under section 32(1)(ia) since it has opted for the benefit of lower rate of tax under section 115BAA of the Act as discussed above.

#### **1.1.2. Section 80JJAA: Deduction in respect of employment of new employees**

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction under the provisions of Section 80JJAA of the Act, of an amount equal to 30% of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

#### **1.1.3. Section 80M of the Act: Deduction in respect of inter-corporate dividends**

Section 80M provides for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 139(1) of the Act.

Where the company receives any dividend during a FY and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said FY, it shall be entitled to deduction under Section 80M of the Act.

### **1.2. Taxability of capital gains**

#### **Period of Holding:**

Post amendment in section 2(42A) by Finance Act, 2024, the period of holding to determine whether the transfer carried out on or after 23 July 2024 would lead to a long term or short-term capital gain is 24 months i.e., if an asset transferred is held for more than 24 months, it shall lead to long term capital gains as the asset shall qualify as a long term capital asset as per section 2(29AA) read with section 2(42A) of the Act.

However, for securities listed on a recognised stock exchange in India or a unit of the Unit Trust of India or a unit of an equity-oriented fund or a zero-coupon bond, if the period of holding is more than 12 months, it will be considered a long-term capital asset as per section 2(29AA) read with section 2(42A) of the Act.

#### **Applicable tax rates:**

As per amendment in section 111A by Finance Act 2024, any income arising from transfer of a short-term capital asset, being an equity share in a company or a unit of an equity-oriented fund or a unit of a Business trust on which securities transaction tax is paid, shall be taxable at the rate of:

- a) 15% (plus applicable surcharge and cess, if any) for short term capital gains before 23 July 2024;
- b) 20% (plus applicable surcharge and cess, if any) for short term capital gains on or after 23 July 2024.

For all the other short term capital gains, the normal tax rate applicable to the Company shall apply.

Long-term capital gains under section 112A of the Act (exceeding Rs 1,25,000) from equity shares, equity oriented mutual fund units and units of a business trust, if Securities Transaction Tax ('STT') has been paid on both acquisition and transfer in case of equity shares and STT has been paid on transfer in case of units of equity-oriented mutual funds or units of business trust, shall be taxable at the rate of:

- a) 10% (plus applicable surcharge and cess, if any) for long term capital gains before 23 July 2024;
- b) 12.5% (plus applicable surcharge and cess, if any) for long term capital gains on or after 23 July 2024.

The Company is not entitled to claim benefit of indexation under the second proviso to section 48 of the Act.

Further, as per the provisions amendment in section 112(1) of the Act by Finance Act 2024, gains arising on the transfer of other long-term capital assets shall be taxable at the rate of:

- a) 20% (plus applicable surcharge and cess, if any) for long term capital gains before 23 July 2024;
- b) 12.5% (plus applicable surcharge and cess, if any) for long term capital gains on or after 23 July 2024.

Further, the benefit of indexation as provided by second proviso to section 48 will not be available for long-term capital assets transferred by a company on or after 23 July 2024.

Section 48 of the Act provides for deduction of cost of acquisition and improvement and expenses incurred in connection with the transfer of a capital asset from the sale consideration, to arrive at the amount of Capital Gains.

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

### **1.3. Dividend**

As per amendment vide Finance Act, 2020 with effect from 1 April 2020, dividend income is taxable in the hands of shareholders at the applicable rates and the Company is not required to pay any dividend distribution tax.

Additionally, for Dividend received, deduction of interest expense wholly and exclusively incurred for earning of dividend income can be claimed under section 57 of the Act. However, such deduction is restricted to 20% of dividend received. No other expenditure is allowable as deduction against such dividend income as per proviso to section 57 of the Act.

## **2. GENERAL TAX BENEFITS AVAILABLE TO SHAREHOLDERS OF THE COMPANY**

### **A. For resident shareholders**

#### **1. Taxability of dividend income from shares of the Company**

With effect from 1 April 2020, dividend income is taxable in the hands of shareholders as 'income from other sources' at the applicable rates and the shareholder is eligible to claim deduction of interest expense wholly and exclusively incurred for earning of such dividend income under section 57 of the Act (deduction is restricted to 20% of dividend received).

Further, in case of a shareholder being a domestic company, deduction in respect of dividends received from the Company shall be available under section 80M of the Act, to the extent such dividend is distributed by it on or before one month prior to filing return of income for such year as prescribed under Section 139(1) of the Act.

#### **2. Taxability of gain/ loss arising from sale of shares of the company**

The characterisation of gains/ losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various other factors.



**(i) Taxability under the head ‘capital gains’**

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

As per amendment in section 111A by Finance Act 2024, any income arising from transfer of a short-term capital asset, being an equity share in a company on which securities transaction tax is paid, shall be taxable at the rate of:

- a) 15% (plus applicable surcharge and cess, if any) for short term capital gains before 23 July 2024.
- b) 20% (plus applicable surcharge and cess, if any) for short term capital gains on or after 23 July 2024.

Long-term capital gains under section 112A of the Act (exceeding Rs 1,25,000) from equity shares if Securities Transaction Tax (‘STT’) has been paid on both acquisition and transfer, shall be taxable at the rate of:

- a) 10% (plus applicable surcharge and cess if any) for long term capital gains before 23 July 2024.
- b) 12.5% (plus applicable surcharge and cess if any) for long term capital gains on or after 23 July 2024.

In such case, the Shareholder shall not be entitled for benefit of indexation under the second proviso to section 48 of the Act.

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

**(ii) Taxability under the head ‘income from business and profession’**

Where the gains arising on the transfer of shares of the Company are included in the business income of a shareholder and assessable under the head “Profits and Gains from Business or Profession” and such transfer is subjected to STT, then such STT shall be a deductible expense from the business income as per the provisions of Section 36(1)(xv) of the Act.

**B. For non-resident shareholders including Foreign Portfolio Investors (‘FPI’)/ Foreign Institutional Investors (‘FII’):**

**1. Taxability of dividend income from shares of the company**

Dividend income earned on shares of the Company will be taxable in the hands of shareholders as ‘income from other sources’ and taxes will be withheld at the rate of 20% (plus surcharge and cess) as per section 115A of the Act. Depending on the tax rate applicable to the shareholder, the shareholder may be eligible to claim deduction of interest expense wholly and exclusively incurred for earning of such dividend income under section 57 of the Act. However, such deduction is restricted to 20% of dividend received. No other expenditure is allowable as deduction against such dividend income as per proviso to section 57 of the Act.

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the Double Taxation Avoidance Agreement (‘DTAA’) between India and the country of tax residence of the non-resident, and the provisions of the Act apply to the extent they are more beneficial to the non-resident assessee.

## **2. Treatment of gain/ loss arising from sale of shares of the Company**

Income arising from transfer of shares of the Company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

As per amendment in section 111A by Finance Act 2024 r.w.s 115AD, any income arising from transfer of a short-term capital asset, being an equity share in a company on which securities transaction tax is paid, shall be taxable at the rate of:

- a) 15% (plus applicable surcharge and cess if any) for long term capital gains before 23 July 2024;
- b) 20% (plus applicable surcharge and cess if any) for long term capital gains on or after 23 July 2024.

As per section 112A of the Act as amended by Finance Act 2024 r.w.s 115AD, long term capital gains exceeding Rs 1,25,000 from equity shares, if Securities Transaction Tax ('STT') has been paid on both acquisition and transfer, shall be taxable at the rate of:

- a) 10% (plus applicable surcharge and cess if any) for long term capital gains before 23 July 2024;
- b) 12.5% (plus applicable surcharge and cess if any) for long term capital gains on or after 23 July 2024.

In such case, the Shareholder shall not be entitled for benefit of indexation under the second proviso to section 48 of the Act.

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

For non-resident shareholders, where DTAA is applicable and where shareholder is eligible to claim DTAA benefits, tax rate and provisions if beneficial can be considered.

## **C. Treatment of income of Foreign Institutional Investors**

As per provisions of section 115AD of the Act applicable to FII, for income received in respect of securities, the income-tax payable shall be at the rate of 20% in case of FIIs and at the rate of 10% in case of specified funds.

For other non-resident shareholders, interest income shall be taxable at the rate in force (as given under relevant Part and Schedule of Finance Act, 2025).

Please note that under the provisions of section 90 of the Act, a non-resident will be governed by the provisions of DTAA between India and the country of tax residence or the provisions of the Act, to the extent they are more beneficial.

## **D. For Mutual Funds**

Under section 10(23D) of the Act, any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

#### **E. For Venture Capital companies/ Funds (VCC/VCF)**

VCC/ VCF registered post 21 May 2012 shall be classified as a Category I or a Category II Alternate Investment Fund which shall be governed by the SEBI (AIF) Regulations 2012 or under the International Finance Services Centre Authorities Act, 2019. For such funds benefit of section 10(23FB) and section 115U shall not be applicable and shall be governed by section 115UB read with section 10(23FBA) and 10(23FBB) which states that business income earned by such fund shall be taxable in the hands of the Fund and exempt in the hands of the unit holders, and other income earned viz. capital gains, income from other sources shall be exempt in the hands of the fund and taxable in the hands of unit holder.

#### **F. For shareholders and/ or debenture holders who are Investment Funds**

Section 10(23FBA) provides exemption to the income of an Investment Fund, being a Trust, Company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration as a Category I or a Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992 or regulated under the International Financial Services Centre Authority (Fund Management) Regulations, 2022 made under the International Financial Services Centre Authority Act, 2019 other than the income chargeable under the head 'profits and gains of business and profession'.

Section 10(23FBA) provides exemption to the income of an Investment Fund, being a Trust, Company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration as a Category I or a Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992 or regulated under the International Financial Services Centre Authority (Fund Management) Regulations, 2022 made under the International Financial Services Centre Authority Act, 2019 other than the income chargeable under the head 'profits and gains of business and profession'.

As per Section 115UB of the Act, any income derived by a person from his investment in an Investment Fund covered under section 10(23FBA), other than that proportion which is of the same nature as 'profits and gains of business and profession', would be taxable in the hands of the person making such investment in the same manner as if it were the income accruing or arising to or received by such person had the investments made by the Investment Fund been made directly by him.

### **3. TAX DEDUCTION AT SOURCE UNDER THE ACT**

#### **1. Section 194 - Dividend distribution by the Company to resident shareholders:**

As per section 194 of the Act, dividend income distributed/ paid by the Company shall be subject to withholding tax at the rate of 10%. However, such withholding tax requirement is not applicable in case of distribution/ payment of dividend to Life Insurance Corporation of India, General Insurance Corporation of India and any other insurer. Also, in case of individual resident shareholders where the amount does not exceed INR 5,000, no TDS is required to be deducted subject to dividend being paid in a mode other than cash.

#### **2. Section 195 - Dividend distribution by the Company to non-resident shareholders:**

As per the provisions of Section 195 read with Section 115A of the Act, any income by way of dividend paid to non-residents shall be subject to withholding tax at the rate of 20% (plus applicable surcharge and cess) under the domestic tax laws or as per the tax rate under the applicable DTAA, whichever is beneficial to the non-resident, unless a lower withholding tax certificate is obtained from the tax authorities subject to fulfilment of certain conditions specified in Section 90 of the Income Tax Act, 1961.

#### **3. Section 196D – Income of FII:**

As per the provisions of Section 196D of the Act, any income in respect of securities (excluding income by way of interest referred to in Section 194LD), payable to FII may be subject to withholding of tax at the rate of 20% (plus applicable surcharge and cess) under the domestic tax laws or rates specified under the DTAA, whichever is beneficial to the non-resident, unless a lower withholding tax certificate

is obtained from the tax authorities.

#### **4. Section 196 – Income of Mutual Funds**

As per section 196 of the Act, no tax is to be deducted from income distributed/ paid by the Company to a Mutual Fund specified under section 10(23D) of the Act.

#### **5. Income of Investment Fund**

Notification No. 51/ 2015 issued by the Central Board of Direct Taxes has notified that no deduction of tax (under Chapter XVII of the Act) be made on payments of nature specified in clause (23FBA) of section 10 of the said Act received by any investment fund as defined in clause (a) of the Section 115UB (Explanation 1) of the Act.

#### **6. Section 193 - Interest paid by the Company**

As per section 193 of the Act, interest income paid by the Company shall be subject to withholding tax at the rate in force (as given under relevant Part and Schedule of Finance Act, 2025) on the amount of the interest payable. However, such withholding tax requirement is not applicable in case of payment of interest on debentures, issued by any institution or authority, or any public sector company, or any co-operative society (including a co-operative land mortgage bank or a co-operative land development bank), as the Central Government may specify by notification in the Official Gazette. Also, in case of resident shareholders where the amount does not exceed INR 5,000, no TDS is required to be deducted.

#### **7. Section 195 – Withholding provisions for non-residents:**

As per the provisions of Section 195, any income by way of interest paid to non-residents shall be subject to withholding tax at the rate in force (as given under relevant Part and Schedule of Finance Act, 2025), plus applicable surcharge and cess, under the domestic tax laws or as per the tax rate under the applicable DTAA, whichever is beneficial to the non-resident, unless a lower withholding tax certificate is obtained from the tax authorities subject to fulfilment of certain conditions specified in Section 90 of the Income Tax Act, 1961.

In case of resident individual shareholders tax will be deducted at higher rate if the resident individual shareholders covered under provisions specified in Section 206AA and 206AB of the Income Tax Act 1961 (refer Point No. 3 and 4 of Other aspects).

#### **Other aspects:**

##### **Withholding tax provisions for capital gains:**

No income tax is required to be withheld at source from income by way of capital gains arising to a resident shareholder under the present provisions of the Act. As per the provisions of Section 195 of the Act, any income by way of capital gains payable to non-residents may be subject to withholding of tax at the rate under the domestic tax laws or under the DTAA, whichever is beneficial to the non-resident, unless a lower withholding tax certificate is obtained from the tax authorities.

##### **Possibility to explore beneficial provisions as per DTAA:**

For claiming the beneficial provisions under the DTAA, the non-resident investor will have to furnish a certificate of him being a tax resident ('TRC') in a country outside India and a suitable declaration for not having a fixed base/ permanent establishment in India, to get the benefit of the applicable DTAA and such other document as may be prescribed as per the provision of section 90 of Act. The TRC should capture relevant details for it to be considered valid viz. name, address, legal entity status, country of incorporation, the tax identification/unique identification number in the country of residence, residential status, and the period for which such TRC pertains. In case such details do not form part of the TRC, the non-resident investor will be required to file Form 10F (an online declaration) on the e-filing portal.

#### **1. Section 206AA of the Act:**

As per section 206AA, where TDS chapter is attracted, any person entitled to receive any sum or

income or amount, on which tax is deductible shall furnish his Permanent Account Number ('PAN') to the person responsible for deducting such tax, failing which tax shall be deducted at higher of the following rates:

- at the rate specified in the relevant provision of this Act; or
- at the rate or rates in force; or
- at the rate of 20%:

However, provisions of this section shall not apply to a non-resident, not being a company, or to a foreign company, in respect of (i) payment of interest on long-term bonds as referred to in section 194LC and (ii) any other payment subject to such conditions as may be prescribed.

Pursuant to amendment in section 206AA vide notification 53/2016 dated 24 June 2016 introducing Rule 37BC, requirement of quoting permanent account number ('PAN') in case of certain specified income is eliminated by maintaining specified documents as mentioned in the said Rule.

## **2. Section 206AB of the Act:**

As per section 206AB, where TDS chapter is attracted (subject to exceptions) on payment of any sum by a person to a specified person\*, tax is required to be deducted at higher of the following rates:

- twice the rate specified in the relevant provision of the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%.

Please note that section 206AB may apply alongside section 206AA of the Act in which case, tax is required to be deducted at higher of the rates provided under either of these sections.

*\* Meaning of "specified person": A person who has not furnished the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year. Please note that specified person shall not include a non-resident who does not have a permanent establishment (PE) in India or a person who is not required to furnish the return of income for the assessment year relevant to the said previous year and is notified by the Central Government in the Official Gazette in this behalf.*

## **4. NOTES**

The income-tax rates specified in this note are as applicable for the financial year 2025-26, and are exclusive of surcharge and education cess, if any. Rate of surcharge and cess are provided below:

### **Surcharge:**

#### **Domestic companies (not opting for Section 115BAA/ 115BAB):**

If the net income does not exceed INR 1 Crore - Nil

If the net income exceeds INR 1 Crore but does not exceed INR 10 Crore – 7%

If the net income exceeds INR 10 Crore - 12%

#### **Domestic companies (opting for Section 115BAA/ 115BAB): 10%**

### **Foreign companies:**

If the net income does not exceed INR 1 Crore – Nil

If the net income exceeds INR 1 Crore but does not exceed INR 10 Crore – 2%

If the net income exceeds INR 10 Crore – 5%

**Individuals, HUF, AOP and BOI:**

If the net income does not exceed INR 0.50 Crore – Nil

If the net income exceeds INR 0.50 Crore but does not exceed INR 1 Crore - 10%

If the net income exceeds INR 1 Crore but does not exceed INR 2 Crore - 15%

If the net income exceeds INR 2 Crore but does not exceed INR 5 Crore - 25%

If the net income exceeds INR 5 Crore - 37%

The enhanced surcharge of 25% & 37% is not levied on income chargeable to tax under sections 111A, 112, 112A and 115AD as well as on dividend income. The maximum rate of surcharge on tax payable on such incomes shall be 15%. In case of Individual, HUF, AOP (other than Co-op Society) and BOI the enhanced surcharge of 37% is restricted to 25% if income is chargeable u/s 115BAC.

**Health and Education cess:**

In all cases, health and education cess will be levied at the rate of 4% of income-tax and surcharge.

1. The above Annexure sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. The above Annexure does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
4. The above Annexure is as per the current direct tax laws relevant for the assessment year 2026- 27 onwards. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.
5. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
6. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, entered into between India and the country in which the non-resident has fiscal domicile. Please note there may be other general benefits available to non-resident shareholders.
7. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

**For Agarwal Ankur and Co.  
Chartered Accountants**

**CA. Ankur Agarwal  
M. No.-509318  
FRN-021425C  
Place: Gurgaon**

**Date:01/05/2025**  
**UDIN: 25509318BMGXNQ5868**

**For and on behalf of**  
**STL Networks Limited**

**Name: Gopal Chandra Rastogi**  
**Designation: Director**  
**Place: Gurgaon**  
**Date: May 01, 2025**

## ANNEXURE 2

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO STL NETWORKS LIMITED ("THE COMPANY"), AND ITS SHAREHOLDERS UNDER THE INDIRECT TAX LAWS IN INDIA

Outlined below are the special tax benefits available to the Company, and its Shareholders under Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975, ("Tariff Act"), as amended from time to time, Foreign Trade Policy 2015- 20, as extended till 31-03-2023 vide notification no. 37/2015-20 dated 29.09.2022 (unless otherwise specified) presently in force in India. Further, the government has notified The Foreign Trade Policy, 2023, vide notification no. 01/2023 that has come in to force from 01-04-2023.

**I. Special tax benefits available to the Company**

There are no special indirect tax benefits available to the Company.

**II. Special tax benefits available to the Shareholders of the Company**

There are no special indirect tax benefits available to the shareholders for investing in the shares of the Company

Notes:

1. This Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Proposed Listing.
2. This annexure covers only indirect tax laws benefits and does not cover any income tax law benefits or benefit under any other law.
3. This statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country as of date.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to updating the views consequent to such changes.

**For Agarwal Ankur and Co.  
Chartered Accountants**

**CA. Ankur Agarwal  
M. No.-509318  
FRN-021425C  
Place: Gurgaon  
Date : 01/05/2025  
UDIN: 25509318BMGXNQ5868**

**For and on behalf of  
STL Networks Limited**

**Name: Gopal Chandra Rastogi  
Designation: Director  
Place: Gurgaon  
Date: May 01, 2025**



## SECTION V – ABOUT US

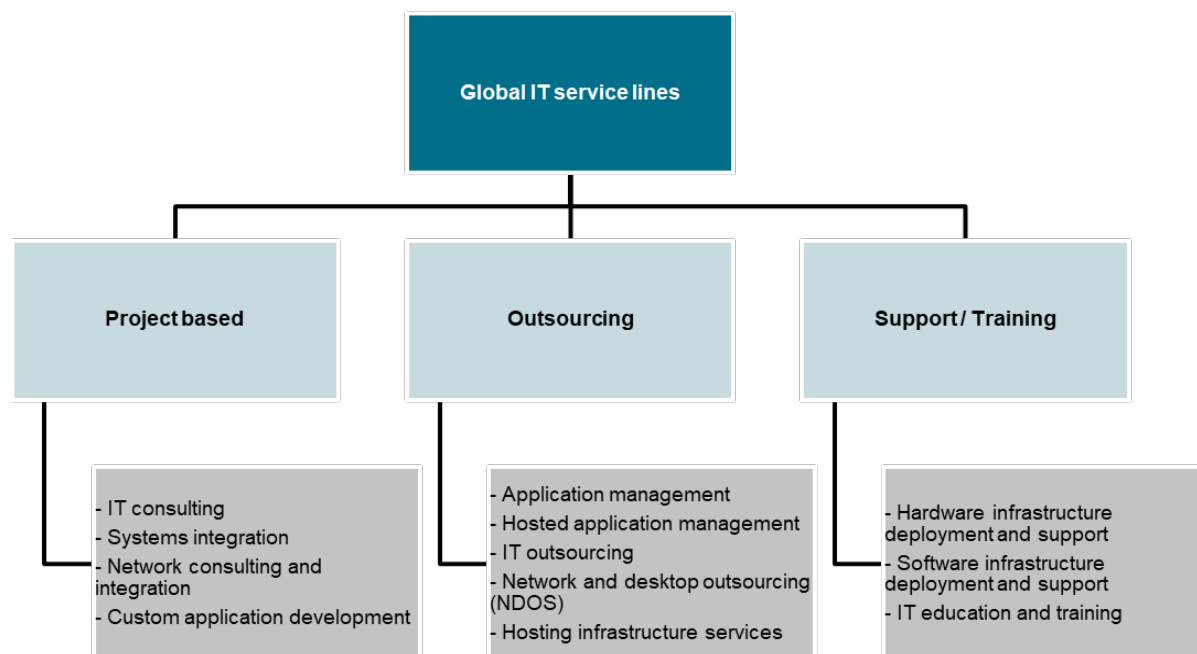
### INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled “Assessment of Global and India IT Services, Integrated Digital Solutions Market, and Data Centre, Cloud Services Industry, Optical Fibre Design and Deployment Industry in India” released by CRISIL Intelligence (formerly Market Intelligence & Analytics), a division of CRISIL Limited (“CRISIL Report”). The Company has commissioned and paid for the CRISIL Report for the purposes of confirming our understanding of the industry specifically for the purpose of the listing of the Equity Shares, as no report is publicly available which provides a comprehensive industry analysis, particularly for our Company’s services, that may be similar to the CRISIL Report. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year, refers to such information for the relevant fiscal year. All references to years in this section are to calendar years.*

### ASSESSMENT OF IT SERVICES MARKET

#### Overview of the global IT services industry

The global IT services industry is a multifaceted sector that offers a broad range of services designed to cater to the diverse needs of businesses and organizations. At its core, the industry is comprised of three primary service lines: project-based services, outsourcing, and support and training. Project-based services are tailored to address specific, discrete needs of clients, and are often delivered on a fixed-price or time-and-materials basis. This approach enables clients to leverage the expertise of IT service providers to achieve specific, well-defined objectives, such as implementing new technology solutions or optimizing existing systems.



Within the project-based services category, IT consulting services play a vital role in helping clients optimize their IT systems and processes. These services involve providing expert advice and guidance on how to streamline operations, improve efficiency, and reduce costs. IT consulting services can encompass a wide range of areas, including strategy development, technology assessment, and solution implementation. By leveraging the expertise of IT consultants, businesses can gain valuable insights into their IT operations and make informed decisions about how to improve their overall technology infrastructure. For instance, IT consultants can help clients assess their current technology landscape, identify areas for improvement, and develop a roadmap for implementing new solutions.

Systems integration services are another key component of project-based services, focusing on designing and implementing comprehensive IT solutions that integrate multiple components and systems. This can involve integrating new technology solutions with existing systems, or developing custom solutions to meet specific business needs. Network consulting and integration services, meanwhile, are specialized to help clients design, implement, and manage their network infrastructure. These services can include network architecture design, implementation, and management, as well as network security and optimization. By leveraging the expertise of systems integration and network consulting professionals, businesses ensure that their technology systems are robust, secure, and optimized for peak performance.

Custom application development services are also a critical component of project-based services, involving the creation of tailored software solutions to meet the unique needs of individual clients. These services can range from developing custom applications to meet specific business requirements, to creating mobile apps, and even developing entire software platforms. By leveraging the expertise of custom application development professionals, businesses can gain a competitive edge by developing solutions that are tailored to their specific needs and goals. For example, a retail company may require a custom application to manage its inventory and supply chain, while a healthcare organization may need a custom solution to manage patient data and medical records based on their specific use cases.

In addition to project-based services, outsourcing is another key service line in the global IT services industry. Outsourcing involves the transfer of responsibility for certain IT functions to a third-party provider, enabling businesses to focus on their core operations while leveraging the expertise of the service provider. Application management, hosted application management, and IT outsourcing are all examples of outsourcing services, which can help businesses reduce costs, improve efficiency, and enhance their overall technology infrastructure. For instance, application management services can help businesses manage and maintain their software applications, while hosted application management services can provide businesses with access to applications over the cloud, reducing the need for on-premise infrastructure.

The support and training category is also a vital component of the global IT services industry, focusing on ensuring that clients have the necessary infrastructure and skills to effectively utilize their technological investments. Hardware infrastructure deployment and support services, software infrastructure deployment and support services, and IT education and training services are all critical components of this category. These services can help businesses ensure that their technology systems are properly installed, configured, and maintained, and that their employees have the skills and knowledge needed to effectively use these systems. By leveraging the expertise of support and training professionals, businesses can minimize downtime, improve productivity, and maximize their return on investment in technology.

### **Driving business value through tech innovation: AI, Automation, Cloud, and Cybersecurity in IT services**

The global IT services industry has undergone a significant transformation, with a strong focus on digital transformation, cloud adoption and cybersecurity. These trends have reshaped the industry structure, influencing service offerings, client engagements, and the overall competitive landscape.

#### ***Digital transformation:***

Digital transformation is a primary driver, as businesses seek to leverage emerging technologies such as artificial intelligence (AI), machine learning (ML), and the Internet of Things (IoT) to innovate, disrupt, and stay competitive in a rapidly changing market landscape. This involves adopting technologies such as robotic process automation (RPA), natural language processing (NLP), and computer vision to create new business models, improve customer experiences, and enhance operational efficiency. As a result, IT service providers are experiencing increased demand for services such as digital strategy development, technology consulting, and solution implementation.

#### ***Cloud adoption***

Cloud adoption is another significant driver of the IT services market, as businesses increasingly migrate their applications and infrastructure to cloud-based platforms to achieve greater scalability, flexibility, and cost savings. The growth of cloud computing is driven by the need for greater agility, faster time-to-market, and improved collaboration, as well as the desire to reduce capital expenditures and minimize the complexity of managing on-premise infrastructure.

Furthermore, the increasing adoption of hybrid and multi-cloud environments is creating new opportunities for IT service providers to offer cloud-agnostic services and help businesses navigate the complexities of cloud management. The use of cloud-based AI and ML services, such as Amazon SageMaker, Google Cloud AI Platform, and Microsoft Azure Machine Learning, is also becoming increasingly popular, as businesses seek to leverage the scalability and flexibility of cloud-based AI and ML solutions.

### **Cybersecurity:**

The rise of cyber threats, data breaches, and regulatory compliance requirements is driving demand for IT services such as security consulting, threat detection, and incident response. The use of AI and ML is also becoming increasingly important in cybersecurity, as businesses seek to leverage these technologies to detect and respond to threats in real-time. IT service providers are responding by developing advanced security solutions, such as managed security services, security information and event management (SIEM) systems, and identity and access management (IAM) solutions. Additionally, the growing importance of data protection and privacy is driving demand for services such as data encryption, backup and recovery, and compliance consulting.

### **Focus on cost optimisation:**

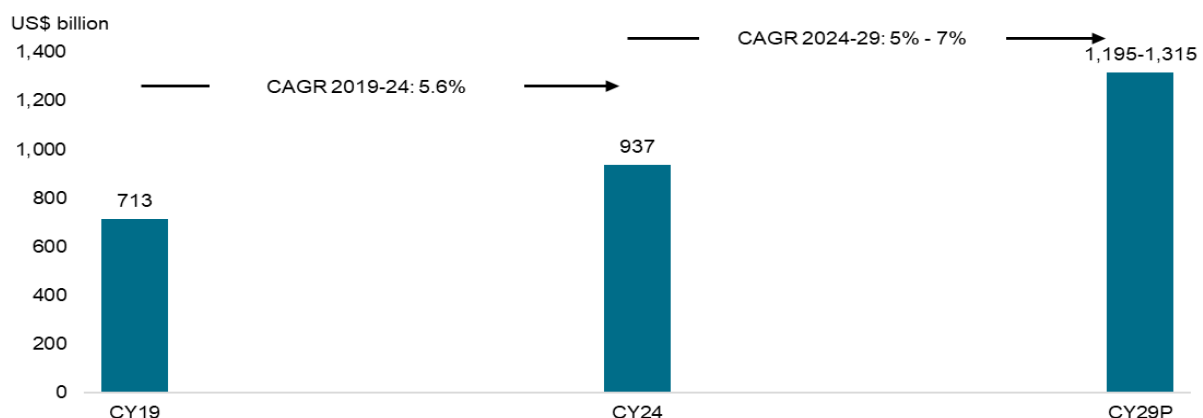
As businesses seek to reduce their IT costs, improve efficiency, and enhance their overall return on investment. This involves adopting cost-effective delivery models, such as outsourcing and managed services, as well as leveraging automation, AI, and other emerging technologies to streamline IT operations and minimize waste. The use of automation technologies such as RPA, AI, and ML is becoming increasingly popular, as businesses seek to automate repetitive and mundane tasks, and free up resources for more strategic and creative work. IT service providers are responding by developing innovative pricing models, such as consumption-based pricing and outcome-based pricing, as well as offering services such as IT asset management, IT service management, and IT infrastructure optimization. By helping businesses optimize their IT costs and improve efficiency, IT service providers can deliver significant value and help their clients achieve their long-term goals.

## **Global IT services market**

The constantly evolving global IT sector plays a crucial role in our interconnected world, encompassing a diverse array of technologies and services, such as software development, hardware manufacturing, cybersecurity, and cloud computing.

Between CY2019 to CY2024, the IT industry has seen a growth of 5.6% CAGR. In recent years, the IT industry has been characterized by rapid innovation and digital transformation due to emerging technologies like artificial intelligence, blockchain, and the Internet of Things. Moreover, the COVID-19 pandemic accelerated the adoption of remote work and digital solutions, further highlighting the industry's significance. Moving forward, as global business organizations continue to rely on IT to drive efficiency, connectivity, and innovation, the global IT industry is poised to grow at a considerable pace. The industry is expected to grow at CAGR of 5%-7% from CY2024 to CY2029 reaching \$ 1,195 – 1,315 billion by CY2029.

## **Global IT services industry**



*Note: The above values include revenues from project-oriented services, ITO services, IT support and training services, and enterprise cloud computing services segments*

*P :Projected*

*Source: Grand View Research, CRISIL Intelligence*

## Recent trends and growth drivers in global IT industry

| Parameter                                                  | Description                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Growing use of edge computing and quantum computing</b> | Demand of edge and quantum computing is continuously growing due to their benefits like improved response times, enhanced bandwidth availability, faster insights, better data security are helping companies strengthen their operations.                                                                                                                                                                                                           |
| <b>Increasing focus on digital first strategies</b>        | Digital services are gaining traction across all the major sectors due to which IT companies are increasingly shifting their focus on their digital solutions offering portfolio. Additionally, increasing adoption of digital-first strategy by brands is further expected to boast this trend.                                                                                                                                                     |
| <b>Increasing adoption of IT in emerging economies</b>     | As the emerging economies continue to develop economically and technologically, they are recognizing the pivotal role that IT services play in enhancing productivity, fostering innovation, and driving economic growth. With the growing availability of affordable hardware and internet connectivity, emerging economies are leveraging IT services to streamline operations, improve public services, and bolster their global competitiveness. |
| <b>Increasing focus on sustainability</b>                  | The IT services industry is witnessing a significant shift towards sustainability, with companies increasingly incorporating green technology into their IT strategies to reduce their environmental footprint. The adoption of green IT services, energy-efficient data centers, and environmentally friendly practices is gaining prominence, enabling businesses to minimize the ecological impact of their IT operations.                        |

Source: Crisil Intelligence

## Indian IT services industry

### Evolution of Indian IT services market

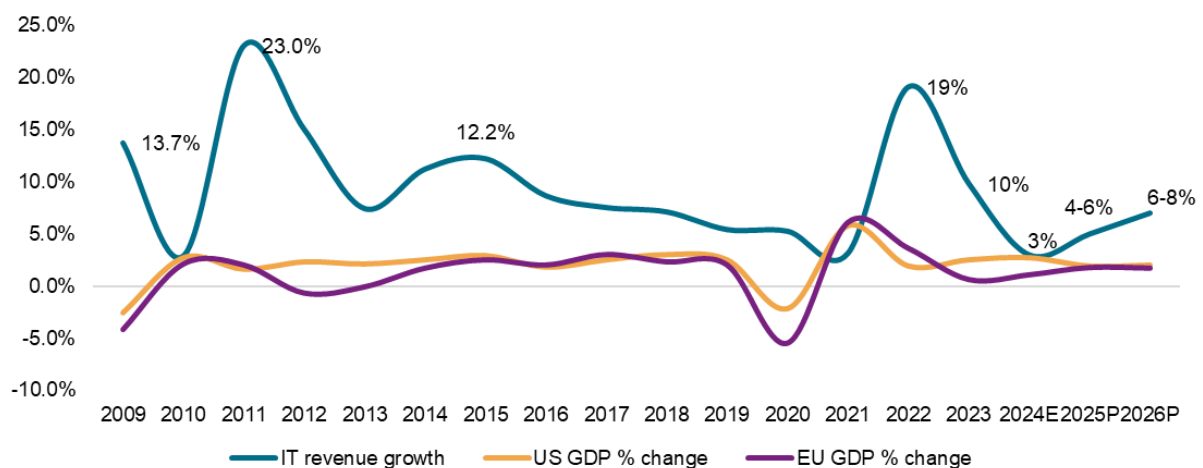
| IT Services Industry Pre 2010                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | IT Services Industry from 2011 to 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | IT Services Industry from 2021 to present                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Products:</b> Customized software development, re-engineering, implementation, and maintenance</p> <p><b>Key industry needs:</b> To reduce cost, build a robust, scalable, secure solution, to keep up with regulatory compliance requirements, decrease time to market, increase collaboration</p> <p><b>Key Industry characteristics during the period:</b></p> <ul style="list-style-type: none"> <li>• Major sales ~90% came from repeat transactions.</li> <li>• Companies started focusing on de-risking product lines</li> <li>• Inorganic growth through global acquisitions</li> <li>• Building and investing software development centres globally</li> <li>• Investment into research and innovation</li> <li>• IT services market affected less in comparison with hardware and software market post global slowdown</li> <li>• IT players implementing global delivery model</li> </ul> | <p><b>Products:</b> Custom application development, application management, system integration services</p> <p><b>Key industry needs:</b> Automate, mobile solutions, pay as you use solutions, Cloud solutions, social media, Enterprise mobility, Business Intelligence, Analytics, Internet of Things, change from run the business solutions to change the business solutions, usability on multiple devices</p> <p><b>Key Industry characteristics during the period:</b></p> <ul style="list-style-type: none"> <li>• IT players focused on growing through non-linear growth model</li> <li>• Cloud enabled services</li> <li>• Focus on freedom from infrastructure (cloud solutions)</li> <li>• Vendor consolidation</li> <li>• Increased local recruitment to ride protectionism in major markets seen after global financial crisis</li> <li>• Companies providing end to end services portfolio</li> <li>• IT players also formed various strategic alliances</li> </ul> | <p><b>Products:</b> Custom application development, software testing, IT consulting, System Integration, Infrastructure Management services, support, and training.</p> <p><b>Key industry needs:</b> Hyper personalized products and services, AI, mixed reality, digital engineering, blockchain, multi-cloud, edge computing, cybersecurity, 5G/6G, RPA</p> <p><b>Key Industry characteristics during the period:</b></p> <ul style="list-style-type: none"> <li>• Covid-19 pandemic highlighting need for operational resilience and enterprise adaptability</li> <li>• Industries leveraging technology to differentiate themselves in the market</li> <li>• IT players increasing digital workforce</li> <li>• Increase in productivity on account of Generative AI</li> <li>• Clients demand for real time analysis and insights</li> </ul> |

Source: Crisil Intelligence

### Trend of IT services in India & correlation with US and EU GDP growth

Majority of the revenue for the IT players are derived from key markets in North America and Europe, especially from the consumer and banking sector. On account of the global slowdown, clients in the key markets have cut back on digital transformation spending. Indian IT players have matured and become resilient over time after witnessing major world-wide crisis in the last two decades. Post the Covid-19 crisis, IT players have resorted to measures such as improving productivity, and providing newer tech services such as Generative AI to increase margin.

## IT revenue growth trend in correlation with EU and US market



Note: US GDP % change calculated on basis of GDP at constant prices; Source: IMF, CRISIL Intelligence

IT industry grew from the late 1990s when global companies like IBM, Microsoft came into the country. India provided the global players with abundant talent and cost reductions at the lowest end of the value chain. In a short span of time, Indian IT players started expanding their delivery networks and established various delivery centres in multiple locations to increase near-shore or on-shore services. With respect to products, IT players started to provide integrated service offerings providing full suite of cost-saving options and conforming to the highest quality standards. Players also adopted outcome-based pricing model from the previous cost models like fixed price and T& M (Time and Material). Post the global financial crisis in 2008, companies followed a de-risking strategy, wherein instead of giving large deal orders to IT vendors, they moved to smaller deals, also to get price advantage. Another growth-driver post the 2008 crisis was the increasing regulatory compliance requirements in the US and European markets enabling IT to drive solutions.

In 2010s, Indian IT players started bidding for large scale turnaround projects which was the domain experience of global players. To upgrade their respective tech capabilities, Indian IT players had to undergo changes in business processes. Post 2010, cloud adoption emerged as one of the reasons for increased IT transformation, to reduce operating costs and improve agility. The aim of IT players was changed from cost reduction to improved productivity with being able to manage new business demands. As the Indian IT industry reconfigured and matured, new trends emerged as part of the process. Companies shifted their focus & moved data in different IT systems available to company executives in real time and in a seamless manner. Indian IT players recognized the need to process real time data and integrate the IT processes with core business activities including company's clients and suppliers.

The advisory and design approach was provided by IT players, first deployed in a native cloud environment, and later deployed in the business. Digital and automation have moved from isolated implementations to enterprise-wide adoption, enabling organizations to achieve greater scale, efficiency, and innovation. Also, there was a shift in market buying patterns with "as a service" outsourcing growing at a faster rate as compared to traditional sourcing or outsourcing.

While Covid-19 pandemic impacted economic activity across most geographies, IT services industry faced minimal headwinds. Top IT enterprises had a diverse portfolio consisting of various sectors which ultimately helped them in the pandemic. Also, banks faced increased regulatory oversight on account of pandemic, and since the sector contributed the highest revenue, IT companies faced lesser than expected brunt on account of pandemic. Post the pandemic, there was strong demand for IT services providers, which helped the overall industry. Industries such as Banking, Telecom and Healthcare were particularly favorable for the industry.

## Government's digital India mission to aid growth in India's domestic IT services industry

The IT services industry, driven by the government's Digital India mission, which has achieved significant milestones in developing broadband highways, universal access to mobile connectivity, public internet access programmes, and digital governance, is experiencing rapid growth. The Digital India programme has driven the adoption of emerging technologies such as Artificial Intelligence, Machine Learning, and Data Engineering, and

has created a fertile ground for the IT services industry to flourish, with key services including Cybersecurity, Software Management, and Consultancy Services. As a result, the industry is delivering a broad spectrum of solutions across various sectors, including Banking, Financial Services, and Insurance (BFSI), Healthcare, and Automotive, with a focus on digital transformation, process optimization, and technology integration, and offering sector-specific solutions, such as digital patient management in healthcare and supply chain optimization in manufacturing and logistics, ultimately contributing to the country's digital economy and socio-economic growth.

The domestic revenues of the IT sector have grown significantly, driven by the Digital India and e-governance initiatives. From fiscal 2020 to 2025, the domestic revenues have grown at a Compound Annual Growth Rate (CAGR) of 6.5%, reaching approximately USD 20 billion by fiscal 2025. This growth is attributed to the increased focus on data analytics, Machine Learning, and Artificial Intelligence, enabling the development of products with mass personalization.

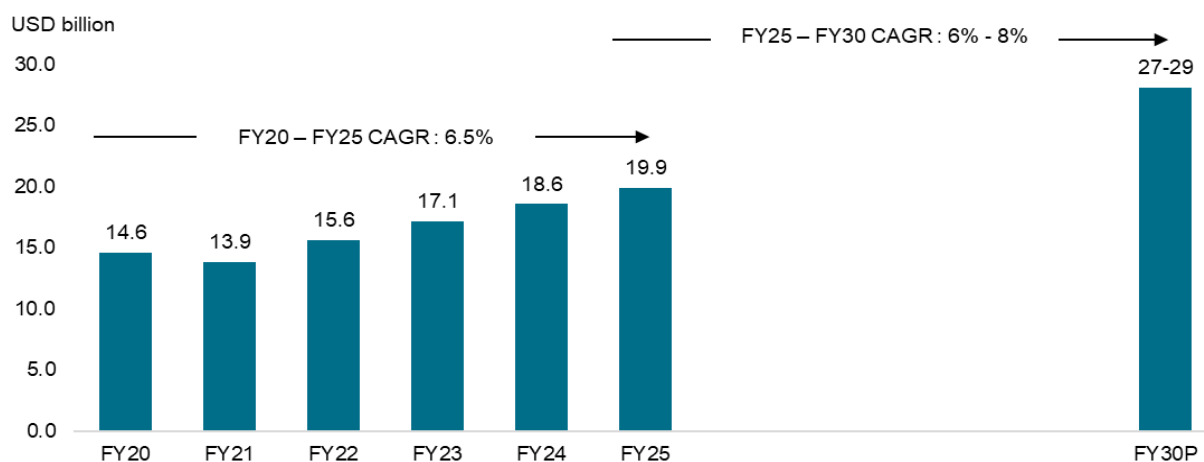
The domestic IT sector is poised for significant growth, with revenue expected to increase by 6-8% from fiscal 2025 to fiscal 2030, driven by the rising demand for differentiated digital offerings. The government's Digital India initiatives have been a key catalyst for this growth and are expected to continue playing a major role in the coming years. As digitalization accelerates across industries, the government's push for digital transformation is likely to drive demand for IT services, particularly in areas such as technology and platform upgrades, as well as e-governance initiatives. Notably, the government and its agencies are expected to remain the largest contributor to domestic IT revenue, underscoring the importance of public sector spending in driving growth in the sector.

As per National Association of Software and Services Companies (NASSCOM) estimates, government spend on digitization; IT infrastructure improvement; and implementation of technology in healthcare, manufacturing and agriculture under the Digital India initiative is expected to translate into a \$6 billion opportunity for IT players.

NASSCOM reports, Indian players dominate the domestic market, accounting for over 65% of the share, while global IT vendors hold the remaining portion. However, a significant portion of the domestic IT services market, approximately 40-50%, is comprised of unorganized players. The domestic market is characterized by high risks and low returns, with vendors facing significant execution challenges that outweigh their profitability. The market's attractiveness is further diminished by lower billing rates and lengthy tendering processes for government contracts, which favor smaller players. As a result, large players like Tata Consultancy Services, Infosys, Wipro, and HCL Technologies tend to focus on export markets, where they can command higher revenues and margins. In contrast, domestic projects are typically smaller in size, ranging from ₹2-5 million, and attract a large number of bidders, leading to intense competition and reduced margins.

However, between fiscals 2016 and 2021, while domestic IT services revenue clocked ~6.5% CAGR, exports surged ~9% CAGR in rupee terms. In fiscal 2022, the rupee depreciation aided the rupee revenue realization for the exports segment, making the export segment to grow at a higher pace than the domestic market. Sustained stable export growth, along with larger ticket sizes, underlines the industry's preference for overseas markets, which is not set to change in the medium term.

### Trend and outlook of domestic IT services industry



Note: E: Estimated, P: Projected; Conversion rate taken as USD 1 = INR 84.6  
Source: Company Reports, NASSCOM, CRISIL Intelligence

## Indian IT services export market

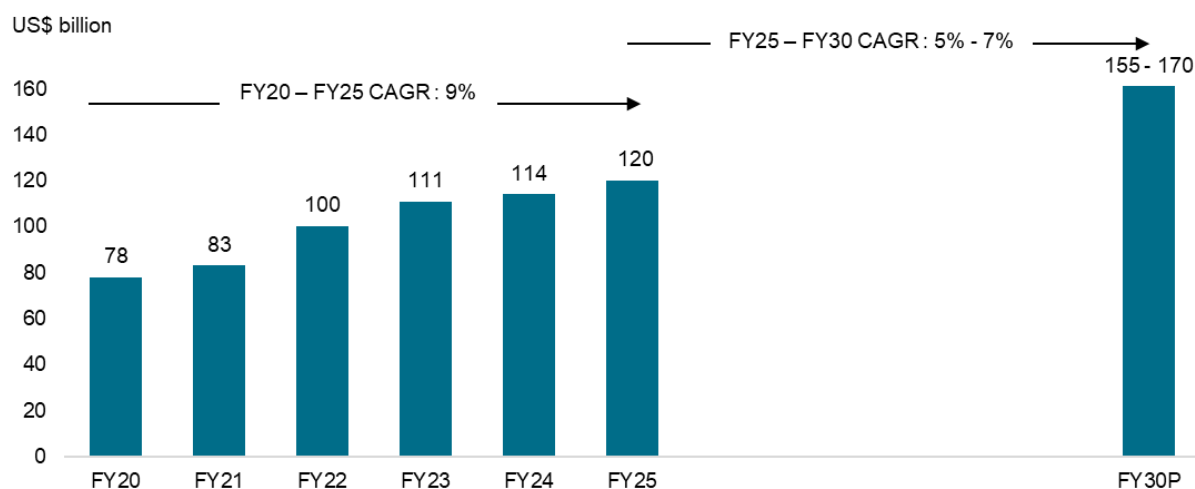
### Export growth to remain modest in fiscal 2025 amid high interest rates

Despite a challenging fiscal 2024, marked by high inflation and a macroeconomic slowdown in developed markets that led to reduced tech budgets across sectors, the IT services industry has shown a promising recovery in FY25, achieving a 5% YoY growth. This uptick is expected to continue as the industry benefits from new order inflows and the resumption of previously deferred projects, particularly in regions like North America and the BFSI sector, which had seen significant project postponements earlier.

As businesses undergo a comprehensive digital transformation, new and innovative services are emerging to help them stand out in a crowded market. The key to differentiation lies in leveraging technology to deliver personalized experiences at scale, which can be achieved by harnessing the power of data analytics, Artificial Intelligence (AI), and Machine Learning (ML). This is particularly important in today's digital landscape, where customers and consumers are increasingly interacting with companies through digital channels, and expect tailored experiences that meet their unique needs

Over fiscals 2025-2030, Crisil Intelligence expects IT services' export revenue to log a compounded annual growth rate (CAGR) of 5% – 7%, compared with ~9% in the previous five fiscal years from 2020 to 2025. The growth will be led by, but not limited to, digital export services in areas such as cloud services, RPA, and AI, as well as innovative offerings that provide differentiation, which is expected to provide an opportunity for Indian IT players to collaborate with product-based companies. Additionally, global in-house centers (GIC) or Global capability centers have found increased traction in India, with players setting up digital innovation hubs to experiment with newer technologies.

### Trend and outlook of export IT services industry



Note: E: Estimated, P: Projected; Source: Company Reports, NASSCOM, CRISIL Intelligence

### Vertical wise performance of IT services industry

Demand for IT services has increased in sectors such as manufacturing and retail. The banking, financial services, and insurance (BFSI) sector is expected to remain the leading spender, followed by telecom. The healthcare sector will largely be driven by transformation spending.

| Sector                                | Performance                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Banking and Financial services (BFSI) | The banking, financial services, and insurance (BFSI) sector has traditionally been the largest industry segment for IT services exports, accounting for approximately 27-30% of the total. The primary focus areas for these investments include improving customer experience, leveraging technology to mitigate risks, and implementing robust controls. |



| Sector               | Performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                      | <p>Notably, while the BFSI segment's revenue growth has been modest at 2%, CAGR over past 5 years their technology spending has shown a significant increase, with a 5% CAGR over the past five years.</p> <p>In the insurance segment, players have been increasingly investing in data and analytics to make smarter decisions and gain customer insights into the development of new products and services.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Telecom</b>       | The telecom industry, which accounts for around 8-10% of the total revenue share, has experienced modest revenue growth of 4% CAGR over the past five years. However, technology spending in the sector has been increasing at a faster pace of approximately 6% during the same period. This growing investment in technology is driven by the need to support the expanding global penetration of 5G services, network virtualization, and customer retention efforts fueled by telecom analytics.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Healthcare</b>    | The healthcare and pharmaceutical industries are expected to experience a significant increase in technology spending, driven by the need for improved operating efficiencies and a growing focus on research and development-based analytics. Key areas of investment include patient care platforms, customer experience, predictive patient care, and dynamic health monitoring. According to IBM, the volume of data in the healthcare space is growing at an astonishing rate of 48% annually, driven by better data recording practices and the increasing use of mobile devices and wearables by patients. This has led to a surge in the adoption of AI-based patient intelligence services by hospitals in key markets. As a result, the healthcare sector is expected to account for a significant share of IT revenue, predicted to be around 11-13% of the total.                                                                                                                                                      |
| <b>Retail</b>        | The US, UK, and EU remain the primary retail markets for Indian players, with the sector undergoing a significant digital transformation. To counter the growing threat from e-commerce companies, retail majors are rapidly adopting omni-channel strategies, which provide customers with a seamless shopping experience across multiple channels. Over the medium term, IT spending in retail is expected to focus on key areas such as logistics, cash management, human resources, and inventory management. As retailers strive to create a unified and integrated shopping experience, omni-channel retailing has emerged as a key priority for organized retailers. As a result, the retail sector is expected to account for a significant share of IT revenue, ranging from 13% to 15%                                                                                                                                                                                                                                   |
| <b>Manufacturing</b> | The manufacturing sector has experienced significant growth driven by investments in Industry 4.0 initiatives that aim to create an information-driven ecosystem of products and processes. As a result, the manufacturing sector's share of IT revenue has increased, reaching 12-14% in FY25. The primary focus of spending in the manufacturing sector has been on automation and enabling Industry 4.0, with a emphasis on digital technologies such as RPA and the IoT. These technologies are expected to drive revenue growth in the manufacturing sector over the medium to long term. In terms of government initiatives, the Ministry of Electronics and IT has allocated 6% of its budget towards Research and Development (R&D), with a focus on shifting the industry's focus from assembling electronics to manufacturing electronics. This shift requires more advanced AI and automation capabilities, as manufacturing electronics involves complex processes that require precision, speed, and quality control. |

Source: CRISIL Intelligence

### Emerging trends in the Indian IT services Industry

Technological disruptions are changing the IT landscape. Technological spending is critical in today's world as companies transform into a scalable, secure and connected organisation. Some of the emerging trends such as AI, ML, augmented and virtual reality (AR/VR), and Metaverse as listed below.

| Trend                      | Advantages                                                                                                                                                                      | Use cases                                                                                                                                                                                                                                                                                                                     |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Metaverse/AR and VR</b> | Increased collaboration, new communication opportunities, reduction of costs in testing model concepts, innovative marketing tool, Lower employee training and onboarding costs | <ul style="list-style-type: none"> <li>Home improvement companies using Metaverse to elevate customer experience in digital shopping - immersive and interactive</li> <li>Gaming companies using AR and VR to give an immersive customer experience</li> <li>Medical companies using AR and VR for medical imaging</li> </ul> |

| Trend                                           | Advantages                                                                                                                                        | Use cases                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>IoT</b>                                      | Access to real-time visibility, smart solutions, reduced costs and data-driven operational efficiency                                             | <ul style="list-style-type: none"> <li>Manufacturing companies using IoT driven devices to improve operations</li> <li>Healthcare industry using IoT to monitor health via wearables</li> </ul>                                                                                                                                                                                                                      |
| <b>AI/ML/ Natural Language Processing (NLP)</b> | Reduction of human error, perform repetitive tasks and saving time                                                                                | <ul style="list-style-type: none"> <li>E-commerce companies using AI to better understand customer preference, personalise the customer journey and help in sales forecasting</li> <li>Banks using conversational AI chatbots to ensure the balance between chatbots and giving customers the human experience.</li> <li>Human workforce management platforms using NLP to scan thousands of applications</li> </ul> |
| <b>Cloud computing</b>                          | Cost savings, mobility, flexibility, data driven insight and increased collaboration                                                              | <ul style="list-style-type: none"> <li>Banks using cloud services for fraud detection</li> <li>Healthcare industry using cloud to let patients access lab results, prescriptions, etc</li> </ul>                                                                                                                                                                                                                     |
| <b>Blockchain</b>                               | Reduced costs, traceability, security and speed                                                                                                   | <ul style="list-style-type: none"> <li>Companies using blockchain technology to make smart contracts</li> </ul>                                                                                                                                                                                                                                                                                                      |
| <b>Automation</b>                               | Cost savings, fulfill compliance requirement, error reduction, customer satisfaction and increased productivity                                   | <ul style="list-style-type: none"> <li>Automated driving such as robo taxis, etc</li> <li>Reinsurance companies using automation to streamline processes and incorporating it as a part of the business model</li> </ul>                                                                                                                                                                                             |
| <b>Big data analytics</b>                       | Modernising business models, enhanced decision making, improved customer experience, enhanced data security and transfer of data into models      | <ul style="list-style-type: none"> <li>Home improvement companies using visual analytics to deliver an immersive customer experience and AI solutions for smart inventory solutions</li> <li>Online streaming companies using analytics to predict customer choices</li> </ul>                                                                                                                                       |
| <b>Cybersecurity</b>                            | Protect sensitive data, fulfill compliance requirement, increased customer trust, early detection and response mechanism and remote work security | <ul style="list-style-type: none"> <li>Banks using cybersecurity to ensure highest level of security for customer's personal data</li> <li>Aerospace and defense companies using robotics to automate processes</li> </ul>                                                                                                                                                                                           |
| <b>RPA</b>                                      | Increase efficiency, reduce human error, time saving and better security                                                                          | <ul style="list-style-type: none"> <li>Process manufacturing companies using RPA to automate repetitive processes</li> </ul>                                                                                                                                                                                                                                                                                         |

Source: CRISIL Intelligence

Companies are adapting these digital processes in their businesses. A few instances are listed below:

- Aditya Birla Sun Life Insurance has launched a 3D virtual lounge, enabling customers to interact with experts and agents and increase communication opportunities
- Airtel has partnered with Secure Motors to enable 1.3 million Narrow Band IoT smart meters in Bihar, ensuring uninterrupted data transfer
- NVIDIA has partnered with Reliance Industries and Tata Group to build on AI, cloud and generative applications
- Apollo Hospitals has partnered with Google Cloud to boost its healthcare services in India
- JP Morgan has partnered with six Indian banks to settle interbank transactions using its blockchain trading platform

### Long-term trends in the Indian IT services industry

#### *Increasing pace of digitisation*

In today's fast-paced business landscape, companies are recognizing the importance of digitization in driving long-term sustainability and mitigating risks. To achieve this, they are adopting a value-driven approach to investment,

prioritizing initiatives that support their strategic objectives. India's reputation as a premier IT services outsourcing destination has been reinforced by its strong digital talent pool, supportive government policies, robust infrastructure, and competitive costs. As a result, global clients are increasingly looking to India to support their digital transformation initiatives, and the country is well-positioned to capitalize on this trend. Some of the sectors that are leading the charge in digitization and are expected to drive growth in the IT services industry include:

| Sector                         | Business processes undergoing digitisation                                                                             |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------|
| <b>BFSI</b>                    | Credit underwriting, loan processing, payment systems, customer service, customer onboarding and identity verification |
| <b>Transportation</b>          | Online bookings, customer support, price optimisation and customer experience                                          |
| <b>Media and entertainment</b> | Content production, analytics-based marketing, predicting customer preference and customer experience                  |
| <b>Government</b>              | Self-service portals, e-governance, digital payment system and digital public platforms                                |

Source: CRISIL Intelligence

The pace of digitisation in India has picked up led by higher mobile penetration, improved data connectivity and faster and cheaper data. Wireless data consumption in India has grown ~12 times in the past five fiscals at a CAGR of ~65%. The proportion of data subscribers is, hence, expected to rise to ~78% in fiscal 2025 from ~62% at fiscal 2020. India's 4G data rates are also among the lowest in the world. Private players are finding new opportunities driven by the digitisation drive. For instance, the quantum of retail digital payments has catapulted from Rs 140 trillion in fiscal 2017 to Rs 606 trillion in fiscal 2023. Within UPI, the quantum of person-to-merchant payments has jumped from Rs 6.2 trillion in fiscal 2021 to Rs 30.7 trillion in fiscal 2023. This increase has created a digital footprint of customers, which can be potentially used for credit analysis of customers, for which the IT players can build the infrastructure.

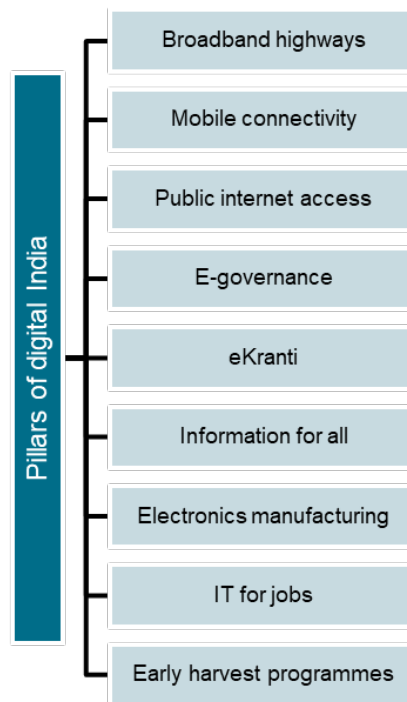
### ***Revenue shift towards cloud, IT and analytics***

The industry is poised for a significant shift in revenue streams, with a growing emphasis on digital services, particularly in areas such as cybersecurity and cloud computing. As companies increasingly adopt digital transformation strategies, the demand for IT and analytics services is expected to drive revenue growth, with Crisil Intelligence predicting a significant increase in investments in these areas going forward.

### ***Digital India drive***

In fiscal 2025, Crisil Intelligence estimates that Indian IT services revenue grew 8-10% year on-year, this growth is driven by core digital transformation initiatives and enterprises leveraging digital technology to differentiate themselves. Additionally, the largest digital census, supported by increased government spending, is expected to contribute to this growth. Over the medium term, the domestic IT services industry is projected to achieve a revenue growth of CAGR of 7-9% in rupee terms over the next five years. led by the rising share of digital services.

The establishment of digital infrastructure, through initiatives such as BharatNet, National Broadband Mission 2.0, and the Gati Shakti Sanchar portal, is expected to fuel the demand for digital services, creating a significant growth opportunity for domestic service providers in the long term. Furthermore, various government service delivery programs under the Digital India umbrella, including the provision of shareable private space on public clouds, ensuring a safe and secure cyber space, delivering high-speed internet as a core utility, and facilitating easy access to Common Service Centres, will drive the long-term growth of the IT services sector, ultimately supporting the country's digital transformation and socio-economic development.



Source: Digital India, CRISIL Intelligence

### **Digital transformation boosts sector performance**

India's digital transformation is being spearheaded by three primary sectors: the government, BFSI, and telecom, as discussed earlier in the report. Banks are adopting IT solutions for regulatory compliance as well as customer convenience. The telecom industry is digitising due to huge volume of voice and data, and networks. The government has pledged substantial investments in IT infrastructure as part of the Digital India and Smart Cities Mission initiatives. The timely execution of these projects will be crucial to their success. Healthcare expenditure has also seen an uptick due to the need to improve operational efficiencies through technology.

### **Key risks and challenges faced by the Indian IT services industry**

| Parameter                                  | Description                                                                                                                                                                                                                                                                   |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Global economic uncertainty</b>         | The IT services industry is highly dependent on global economic conditions. Economic downturns or uncertainties in major markets, such as the US and Europe, can impact outsourcing decisions and IT budgets of client companies.                                             |
| <b>Currency exchange rate fluctuations</b> | The IT services industry earns a significant portion of its revenue in foreign currencies, primarily the US dollar. Exchange rate fluctuations can impact profit margins and overall financial performance.                                                                   |
| <b>Competition from other countries</b>    | India faces increasing competition from other countries offering IT services such as the Philippines, China and Eastern European nations. The rise of nearshore and onshore outsourcing options may pose a threat to India's traditional dominance in offshoring.             |
| <b>Technological disruptions</b>           | Rapid advancements in technology, including automation, AI and robotic process automation, pose challenges to traditional IT service models. Companies need to continually adapt and invest in new skills to remain relevant.                                                 |
| <b>Data security and privacy concerns</b>  | With the increasing prevalence of cyber threats and stringent data protection regulations globally, the IT services industry must continually invest in robust cybersecurity measures to protect client data and comply with international privacy standards.                 |
| <b>Talent shortage and skill gap</b>       | There is a constant demand for highly skilled IT professionals. However, there is a challenge in sourcing and retaining top talent, particularly in emerging technologies. The industry needs to address the skill gap through training programmes and education initiatives. |

| Parameter                               | Description                                                                                                                                                                                                                  |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Regulatory changes</b>               | Changes in global and domestic regulations can impact the operating environment for IT services companies. Compliance with regulations related to data protection, taxation and intellectual property rights is crucial.     |
| <b>Political and geopolitical risks</b> | Political instability and geopolitical tensions can impact the outsourcing decisions of client companies. Trade policies, visa regulations, and political changes in key markets may affect the industry's growth prospects. |
| <b>Client dependency</b>                | A high concentration of clients in specific industries or regions can expose IT services companies to the risk of disruption or downturn in those sectors.                                                                   |
| <b>Infrastructure challenges</b>        | Despite significant improvements, India still faces infrastructure challenges, including power shortages, transportation issues and connectivity problems, which can impact the smooth operation of IT services.             |

Source: CRISIL Intelligence

## Overview of IT Infrastructure services market in India

The IT infrastructure market is a critical component of the modern business landscape, providing the foundation for all business operations and enabling organizations to achieve their goals and objectives. IT infrastructure refers to the underlying systems, hardware, software, and networks that enable the storage, processing, and transmission of data within an organization. It is the backbone of any organization's technology ecosystem, providing the platform for all business applications and services. A well-designed and well-managed IT infrastructure is essential for organizations to operate efficiently, effectively, and securely.

In today's digital age, IT infrastructure plays a vital role in enabling organizations to compete in a rapidly changing business environment. It enables organizations to respond quickly to changing market conditions, innovate and develop new products and services, and provide high-quality customer service. The importance of IT infrastructure cannot be overstated, as it is the foundation upon which all business operations are built. A robust and reliable IT infrastructure is essential for organizations to achieve their goals and objectives, and to remain competitive in a rapidly changing business environment.

The IT infrastructure market includes a range of services, such as network services, intelligent industry services, infrastructure support application services, cybersecurity services, growth in data centres, optical fibre cables for high speed data transfers, and cloud services. These services are critical to facilitating seamless IT operation and maintenance of an organization's IT infrastructure. The demand for these services is increasing, driven by the growing need for organizations to upgrade their IT infrastructure and digital platforms to remain competitive and achieve sustainable growth. The Indian government's initiatives to promote digitalization and smart city projects are also driving the growth of the domestic IT infrastructure.

The IT infrastructure market is expected to experience significant growth in the coming years, driven by the increasing demand for digital transformation, cloud computing, and cybersecurity. Businesses are seeking to upgrade their IT infrastructure and digital platforms to remain competitive and achieve sustainable growth. The adoption of cloud computing is increasing, driven by the need for flexible and scalable IT infrastructure. The hybrid and public clouds segments are expected to experience exponential growth, driven by enterprises seeking flexible and scalable infrastructure solutions.

The demand for endpoint security solutions is increasing, driven by the growing number of remote employees and the adoption of bring-your-own-device (BYOD) policies among businesses. The telecom industry is playing a crucial role in driving the growth of India's IT industry, with telecom companies investing in IT infrastructure and network solutions. The demand for data center infrastructure is increasing, driven by need for scalable and efficient IT infrastructure. Overall, the IT infrastructure market is expected to experience significant growth in the coming years, driven by the increasing demand for digital transformation, cloud computing, and cybersecurity.

As organizations continue to transform and expand, their IT infrastructure must also undergo a parallel evolution to support changing business requirements. This demands ongoing investment in next-generation technologies, such as quantum computing, edge computing, blockchain, etc. as well as continuous maintenance and modernization of existing infrastructure to ensure agility, scalability, and competitiveness. The IT infrastructure market is a critical component of the modern business landscape, providing the foundation for all business operations and enabling organizations to achieve their goals and objectives. With the increasing demand for digital

transformation, cloud computing, and cybersecurity, the IT infrastructure market is expected to experience significant growth in the coming years.

### Growth drivers of Indian IT infrastructure services

| Parameter                            | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Digital Transformation</b>        | Increasing demand for digital transformation is driving the growth of the IT infrastructure market. Businesses are seeking to upgrade their IT infrastructure and digital platforms to remain competitive and achieve sustainable growth. The focus on digital transformation and modernization is also pushing businesses to invest more in IT infrastructure and services. As organizations continue to evolve and grow, their IT infrastructure must also evolve to meet changing business needs, requiring ongoing investment in new technologies, such as artificial intelligence, Internet of Things (IoT), automation, and blockchain                                                                                                                                                                                                                                                          |
| <b>Adoption of cloud computing</b>   | The adoption of cloud computing is increasing, driven by the need for flexible and scalable IT infrastructure. The hybrid and public clouds segments are expected to experience exponential growth, driven by enterprises seeking flexible and scalable infrastructure solutions that combine on-premises resources with public cloud capabilities. The rising popularity of the Infrastructure-as-a-Service (IaaS) industry in India has been stimulated by the government's initiative for cloud adoption as well as the growing need for scalable and affordable IT infrastructure.                                                                                                                                                                                                                                                                                                                |
| <b>Increasing security endpoint</b>  | The demand for endpoint security solutions continues to be stimulated by the growing number of remote employees in India and the increasing adoption of bring-your-own-device (BYOD) policies among businesses. Businesses are increasingly investing in cutting-edge endpoint protection systems to protect their distributed IT infrastructures. The demand for cybersecurity solutions is increasing, driven by the growing number of cyber threats and the need for organizations to protect their sensitive information and prevent data breaches.                                                                                                                                                                                                                                                                                                                                               |
| <b>Government Initiatives</b>        | Increased government expenditure on digital initiatives and smart city projects is boosting IT adoption across public sectors. This has encouraged the improvement and growth of the domestic IT infrastructure, such as internet access, and data centers. The Indian government's initiatives to promote digitalization and smart city projects are driving the growth of the domestic IT infrastructure market, as organizations seek to upgrade their IT infrastructure and digital platforms to remain competitive and achieve sustainable growth                                                                                                                                                                                                                                                                                                                                                |
| <b>Growth of Telecom sector</b>      | The telecom industry continues to play an important role in driving the growth of India's IT industry. Telecom companies are increasingly investing in IT infrastructure and network solutions, focusing on the rollout of 5G networks and increasingly focusing on digital services. These initiatives are crucial, as they serve as a backbone for digital transformation initiatives among businesses in India. The demand for telecom services is increasing, driven by the growing need for organizations to upgrade their IT infrastructure and digital platforms to remain competitive and achieve sustainable growth.                                                                                                                                                                                                                                                                         |
| <b>Data Center Infrastructure</b>    | The demand for data center infrastructure is increasing rapidly, driven by the unprecedented growth of data and the need for organizations to upgrade their IT infrastructure and digital platforms to remain competitive. The data explosion, driven by the proliferation of digital technologies, social media, and IoT, has created a huge demand for data storage, processing, and analytics. The government's initiatives, such as the Digital India program, have also accelerated the demand for data centers, as they promote the adoption of digital technologies and data-driven decision making. To meet the rising demand, organizations are investing in building new data centers or expanding existing ones, which is expected to drive significant growth in the data center infrastructure market, driven by the increasing demand for cloud computing, big data analytics, and IoT. |
| <b>Colocation offerings services</b> | The growth of colocation services is driving demand for IT infrastructure services, as it enables organizations to reduce costs, increase scalability, and enhance reliability, while also providing access to advanced network connectivity, cybersecurity, and managed services, ultimately supporting the adoption of emerging technologies                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

Source: CRISIL Intelligence

### Overview of select offerings in IT Infrastructure services

#### Network Services

Network services are a critical component of IT infrastructure, enabling organizations to communicate and

exchange data efficiently. The increasing demand for digital transformation and cloud computing has led to a growing need for network services that can support high-speed data transfer and low latency. Network services include a range of solutions, such as local area networks (LANs), wide area networks (WANs), and wireless networks, that enable organizations to connect their devices and systems. These services are essential for organizations to operate efficiently, as they enable the exchange of data and communication between different departments, locations, and stakeholders.

The adoption of network services is expected to increase significantly in the coming years, driven by the growing need for organizations to upgrade their IT infrastructure and digital platforms to remain competitive and achieve sustainable growth. The increasing demand for cloud computing, big data analytics, and the Internet of Things (IoT) is driving the need for network services that can support high-speed data transfer and low latency. Network services are also critical for organizations to ensure the security and reliability of their IT infrastructure, as they enable the implementation of security measures such as firewalls, intrusion detection systems, and encryption. As organizations continue to evolve and grow, their network services must also evolve to meet changing business needs, requiring ongoing investment in new technologies and solutions.

### ***Intelligent Industry Services***

Intelligent industry services refer to the use of advanced technologies such as artificial intelligence, machine learning, and the Internet of Things (IoT) to improve the efficiency and effectiveness of industrial operations. These services enable organizations to collect and analyze data from various sources, such as sensors and machines, to optimize their operations and improve their decision-making. Intelligent industry services include a range of solutions, such as predictive maintenance, quality control, and supply chain optimization, that enable organizations to improve their productivity and reduce their costs. The adoption of intelligent industry services is expected to increase significantly in the coming years, driven by the growing need for organizations to drive business efficiencies.

The increasing demand for intelligent industry services is driven by the need for organizations to improve their efficiency and effectiveness, and to reduce their costs and improve their profitability. These services enable organizations to collect and analyze data from various sources, such as sensors and machines, to optimize their operations and improve their decision-making. As organizations continue to evolve and grow, their intelligent industry services must also evolve to meet changing business needs, requiring ongoing investment in new technologies and solutions.

### ***Infrastructure Support Application Services***

Infrastructure support application services refer to the range of services that enable organizations to manage and maintain their IT infrastructure, including their applications, data, and systems. These services include a range of solutions, such as application management, data management, and system management, that enable organizations to ensure the availability, performance, and security of their IT infrastructure. The adoption of infrastructure support application services is expected to increase significantly in the coming years, driven by the growing need for organizations to upgrade their IT infrastructure and digital platforms to remain competitive and achieve sustainable growth.

The increasing demand for infrastructure support application services is driven by the need for organizations to ensure the availability, performance, and security of their IT infrastructure. These services enable organizations to manage and maintain their IT infrastructure, including their applications, data, and systems, to ensure that they are running efficiently and effectively. Infrastructure support application services are also critical for organizations to ensure the security and reliability of their IT infrastructure, as they enable the implementation of security measures such as backup and disaster recovery, and access control. As organizations continue to evolve and grow, their infrastructure support application services must also evolve to meet changing business needs, requiring ongoing investment in new technologies and solutions.

### ***Cybersecurity Services***

Cyber services refer to the range of services that enable organizations to protect their IT infrastructure from cyber threats and other security risks. These services include a range of solutions, such as firewall configuration, intrusion detection, and encryption, that enable organizations to ensure the security and reliability of their IT infrastructure. The adoption of infrastructure safety and security services is expected to increase significantly in the coming years, driven by the growing need for organizations to upgrade their IT infrastructure and digital platforms to remain competitive and achieve sustainable growth.



The increasing demand for cybersecurity services is driven by the need for organizations to protect their IT infrastructure from cyber threats and other security risks. These services enable organizations to implement security measures such as firewall configuration, intrusion detection, and encryption, to ensure the security and reliability of their IT infrastructure. Cybersecurity services are also critical for organizations to ensure compliance with regulatory requirements, such as data protection and privacy laws. As organizations continue to evolve and grow, their infrastructure safety and security services must also evolve to meet changing business needs, requiring ongoing investment in new technologies and solutions.

### ***Managed Services***

Managed services refer to the range of services that enable organizations to outsource the management and maintenance of their IT infrastructure to a third-party provider. These services include a range of solutions, such as network management, system management, and application management, that enable organizations to ensure the availability, performance, and security of their IT infrastructure. The adoption of managed services is expected to increase significantly in the coming years, driven by the growing need for organizations to upgrade their IT infrastructure and digital platforms to remain competitive and achieve sustainable growth.

The increasing demand for managed services is driven by the need for organizations to reduce their costs and improve their efficiency, while ensuring the availability, performance, and security of their IT infrastructure. Managed services enable organizations to outsource the management and maintenance of their IT infrastructure to a third-party provider, freeing up internal resources to focus on core business activities. The managed Service providers help organisations to improve uptime, lower fault rates and overall enhance business efficiency.

### **Overview of impact of AI on IT infrastructure services**

The impact of Artificial Intelligence (AI) on IT infrastructure is expected to be significant, with the potential to transform the way IT infrastructure is designed, implemented, and managed. AI-driven technologies and approaches are expected to play a crucial role in predicting and preventing IT infrastructure failures, optimizing IT infrastructure performance, and improving the overall efficiency and effectiveness of IT infrastructure. The adoption of AI is expected to increase significantly in the coming years, with 61% of executives agreeing that AI will fundamentally change their IT infrastructure procurement and consumption model over the next five years.

The use of AI in IT infrastructure is expected to have a multiplier impact on businesses and IT, with the potential to predict slowdowns or errors and determine how to avoid or fix them. AI-driven technologies and approaches are expected to play a crucial role in network services, intelligent industry services, infrastructure support application services, cybersecurity services, and managed services. The adoption of AI is expected to improve the overall efficiency and effectiveness of IT infrastructure, enabling organizations to respond quickly to changing market conditions, innovate and develop new products and services, and provide high-quality customer service.

The impact of AI on IT infrastructure will be felt across all industries, with the potential to transform the way businesses operate and compete. The adoption of AI-driven technologies and approaches is expected to improve the overall efficiency and effectiveness of IT infrastructure, enabling organizations to achieve their goals and objectives.

The adoption of AI is expected to have a significant impact on the IT infrastructure market, with the potential to transform the way IT infrastructure is designed, implemented, and managed. AI-driven technologies and approaches are expected to play a crucial role in predicting and preventing IT infrastructure failures, optimizing IT infrastructure performance, and improving the overall efficiency and effectiveness of IT infrastructure. The use of AI in IT infrastructure is expected to have a multiplier impact on businesses and IT, with the potential to predict slowdowns or errors and determine how to avoid or fix them.

As AI continues to evolve and improve, its impact on IT infrastructure is expected to grow, with the potential to transform the way businesses operate and compete. The adoption of AI-driven technologies and approaches is expected to improve the overall efficiency and effectiveness of IT infrastructure, enabling organizations to respond quickly to changing market conditions, innovate and develop new products and services, and provide high-quality customer service.

### **Overview of ITeS (IT-enabled services) Industry**

IT-enabled services (ITeS) encompass a broad spectrum of services that leverage information technology for



providing services with the help of internet. The Indian ITeS Companies' services lie under three different categories which are Customer Relationship Management (CRM), Transaction Services and Knowledge Services.

### Services provided by Indian ITeS companies

| Customer Relationship Management (CRM)                                                                                                                                                                                                                                                    | Transaction Services                                                                                                                                                                                                                                                                                    | Knowledge Services                                                                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Customer Support</li> <li>• Marketing</li> <li>• Data Entry</li> <li>• Contact Centres</li> <li>• Technical Support</li> <li>• Employee Helpdesks</li> <li>• Telemarketing/Telesales</li> <li>• Account Maintenance/ Service Dispatch</li> </ul> | <ul style="list-style-type: none"> <li>• Payment Gateways</li> <li>• E-commerce solutions</li> <li>• Digital Wallets</li> <li>• Finance &amp; Accounting</li> <li>• Treasury &amp; Risk Management</li> <li>• Administrator</li> <li>• Payment Services</li> <li>• Human Resource Management</li> </ul> | <ul style="list-style-type: none"> <li>• Business Research</li> <li>• Legal Research</li> <li>• Market Research</li> <li>• Legal Process Outsourcing</li> <li>• Data Analytics</li> <li>• Healthcare operations</li> <li>• Animation</li> <li>• Education &amp; Publishing</li> </ul> |

Source: CRISIL Intelligence

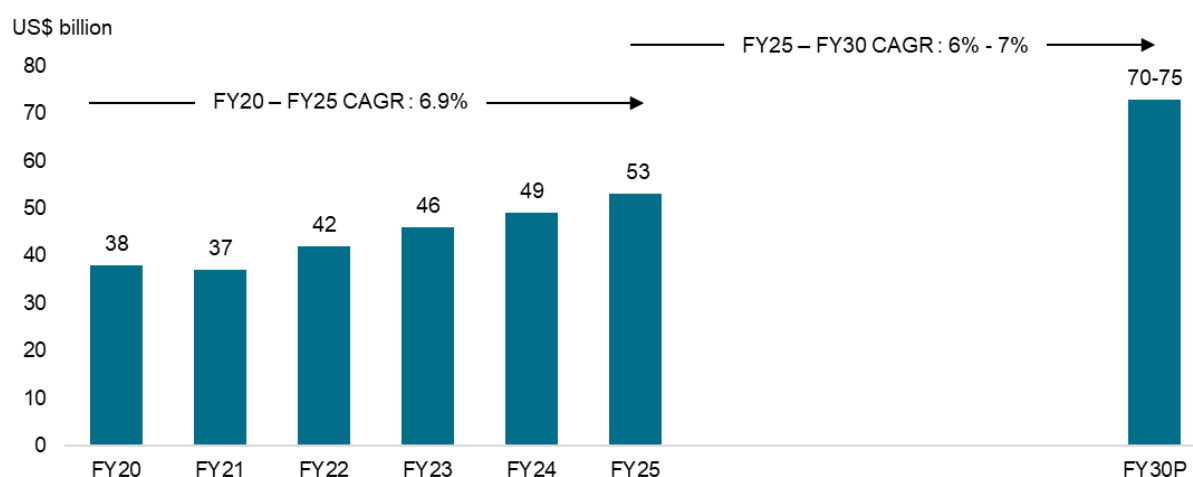
### Indian ITeS Industry market

#### Growth in key economies to weigh on Indian ITeS Industry

ITeS refers to outsourcing processes in which the provider utilises technologies to meet the business goals of global companies. It provides a gamut of services that exploit technology to improve organisations. Outsourcing saves client money and boosts the economic progress of the country providing the service by creating more jobs.

Over the years, the Indian ITeS industry has undergone a transformation with emergence of new technological advancements in areas like process improvement, data analysis, and automation. The global IT companies have increased investments in cutting-edge technologies like robotics, 3D printing, the Internet of Things (IoT) and connected devices, and the integration of social, mobile, analytics, and cloud (SMAC) solutions & the Indian service providers are able to derive significant benefits of this owing to their ability to offer domain-specific services and leverage big data analytics to achieve meaningful business results.

#### ITeS market in India



Note: E: Estimated, P: Projected, Source: NASSCOM, CRISIL Intelligence

The Indian ITeS Industry grew by 6.9% from fiscal 2020 to fiscal 2025 due to growth in non-voice and omni channel CRM segments and also knowledge services. Indian ITeS companies have seen robust orders from clients globally which have led to volume pick up since fiscal 2022. Skilled employee additions have also fuelled the growth of the industry for both domestic and export markets.

In fiscal 2025, ITeS market have grown at 7.5% over the previous year. This is on account of existing order book which has not been impacted by the global slowdown as spending in this industry is mostly non-discretionary. However, global slowdown and economic growth in key economies will be a key monitorable and can weigh in on the growth. CRISIL believes that improvement in recovery in the US and UK market, which form ~80% of the revenue of the Indian ITeS industry, will lead to revival in volume across segments.

### Revenue trend of different segments of ITeS exports

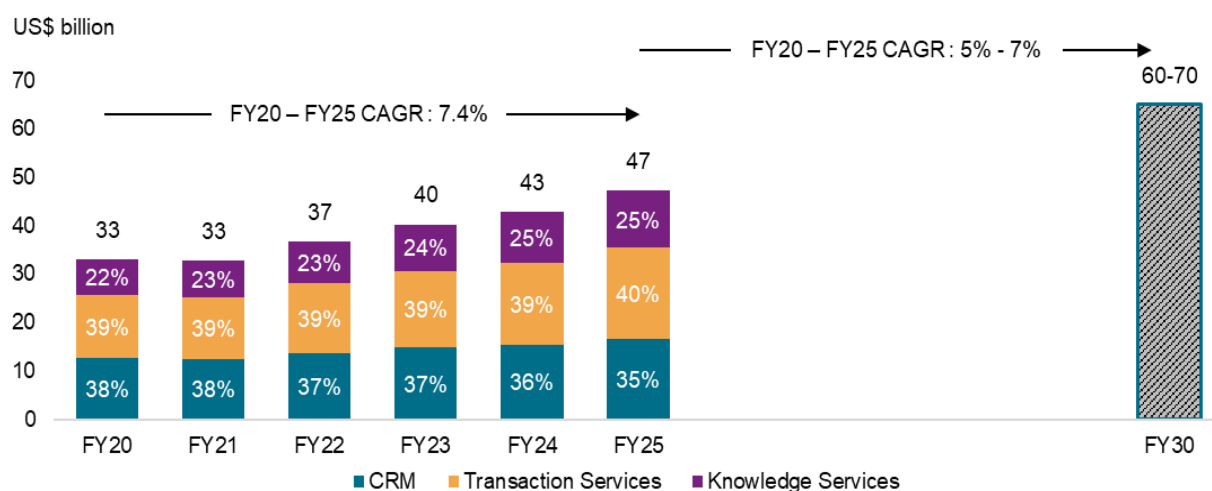
ITeS sector's overall export revenue has grown by 7.4% from fiscal 2020 to fiscal 2025 in dollar terms, reaching approximately \$47 billion. Indian ITeS companies reported record-high order wins in the second half of fiscal 2024. Between fiscals 2025 and 2030, exports are projected to grow at a compound annual growth rate (CAGR) of 5%-7%.

This growth will be driven by the rapid expansion of knowledge services, as clients increasingly adopt analytics and robotic process automation (RPA) alongside business research. In the customer relationship management (CRM) space, however, growth is expected to slow due to competition in the voice-based segment from the Philippines and a shift towards chatbot-based solutions. Similarly, growth in transactional services is likely to moderate due to the commoditization and automation of rule-based tasks.

The BFSI segment has witnessed increased spending on automation and enhanced customer experience solutions, with significant investments directed toward chatbot-based technologies, which are expected to drive future growth in this segment. Meanwhile, revenue growth in retail and healthcare is anticipated to be bolstered by their transition to RPA-based solutions.

The telecom sector's performance remains under observation. Over the medium term, while revenue growth in this sector is likely, stagnant volume growth is expected to limit its contribution to the ITeS sector, potentially leading to a reduction in business opportunities.

### Revenue trend of different segments of ITeS exports



Note: E: Estimated, P: Projected; Source: NASSCOM, CRISIL Intelligence

### Shift towards non voice CRM to drive the growth

Customer relationship management (CRM) segment has grown slower than the industry average in the last five years owing to intense competition from the Philippines in the voice segment. In India, growth will be driven by a shift towards non-voice and multi-channel artificial intelligence-powered CRM. Growth is expected in coming uyeans on account of the shift towards non voice CRM which is considered as a premium service. Organizations have realized that digital transformation enhanced the customer experience and as a result the integration of emerging technologies across different business verticals to improve customer experience and value delivery support.

### Growth to be led by Digital Payments and credit card collections in the Transaction Services segment

Transaction services exports accounted for approximately 40% of total export revenue, reaching around \$19 billion in fiscal 2025. Growing need for digitization in the BFSI segment, along with a volume revival in mortgage processing, insurance, and collections, is expected to drive this ITeS segment's growth.

Of ~\$19 billion revenue from transaction services in fiscal 2025, finance and accounting (F&A) services contributed ~57-60%, vertical-specific services such as insurance claims processing accounted for 33-35%, with human resource outsourcing (HRO) and others constituting the remainder.

F&A services are slowly becoming commoditized. WNS recently applied a transformation solution to one of its electronic clients for the streamline of its F&A division, which resulted in 85% reduction in accounts payable over 90 days and a 25% improvement in efficiency. Growth will primarily be driven by players embedding more digital solutions into their F&A offerings.

BFSI, telecom and healthcare sectors remain key customers of transaction services, with the banking, financial services, and insurance (BFSI), telecom and healthcare sectors traditionally accounting for 60-70% of the sector's revenue, a similar trend is estimated in upcoming years.

### **Knowledge services growth to surpass industry average**

Knowledge services segment has grown by ~10% from fiscal 2020 to fiscal 2025 in dollar terms, led by demand for financial, legal, and market research, led by demand recovery for financial and market research. The content management services vertical within this segment have also gained momentum recently, adding to overall ITeS growth. Knowledge services are likely to be the fastest-growing, driven by high-value services such as big data analytics and artificial intelligence (AI)-based automation.

The knowledge services segment of the information technology-enabled services (ITeS) industry comprises knowledge-intensive processes such as business research, market research, data management, and data analytics. This segment is expected to grow with a further pickup in volumes for research-based projects and content management services.

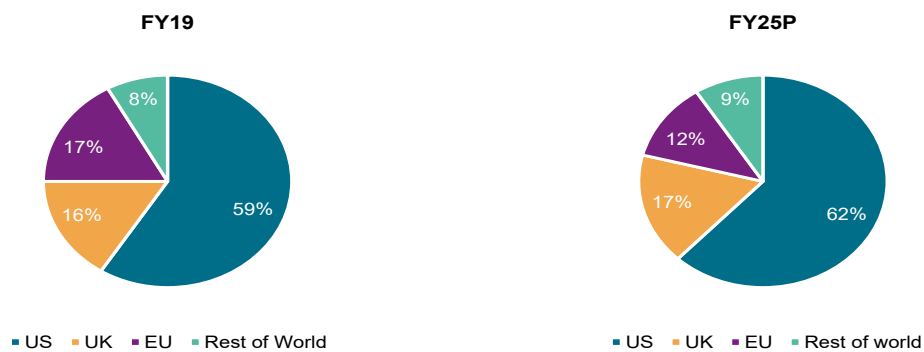
### **Key geographies driving Indian ITeS export market**

#### ***EU market losing share to US market, share of emerging markets increasing***

Geographical and vertical-related risks persist in the Indian ITeS industry. The US has traditionally accounted for more than 62% of India's ITeS export revenue. For the set of three major Indian ITeS players, the concentration of US has increased at 4% CAGR between fiscals 2019 to 2024, exposing it to major revenue risk, should the negative sentiments continue in US.

To counter geopolitical risks arising from US, companies have started setting up delivery centres in other regions. For example, ITeS players have tried to diversify in the Middle East and Asia-Pacific region by setting up delivery centres and targeting clients there. Middle eastern companies are on a digitisation drive providing new opportunities for Indian ITeS companies.

## Share of key geographies for Indian ITeS sector for fiscal 2019 and fiscal 2025

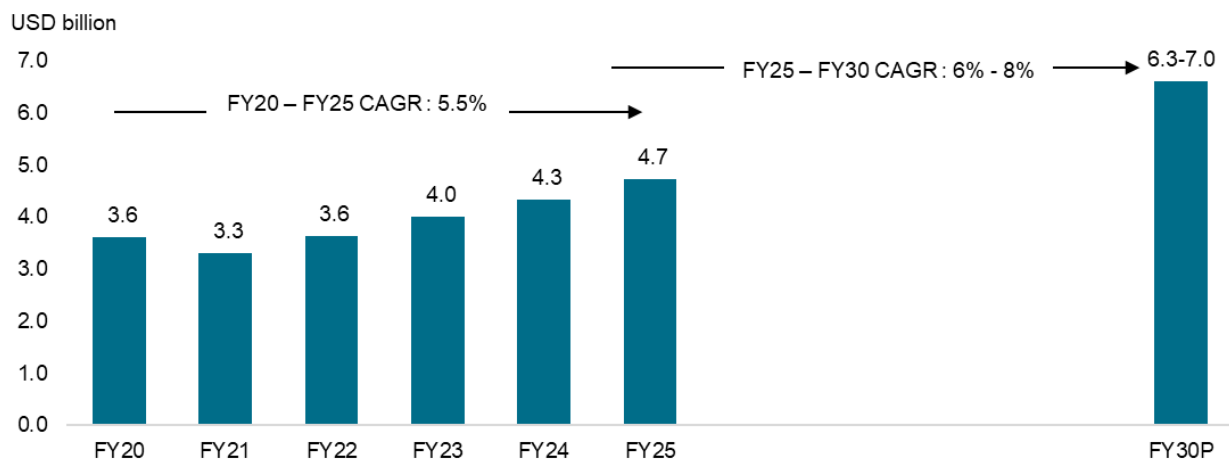


## Domestic ITeS Industry

The volume recovery in the healthcare and government sectors supported the ITeS industry in fiscal 2025, resulting in a growth of 5.5% to reach approximately USD 4.7 billion. Sectoral volumes are expected to be driven by the banking, financial services, and insurance (BFSI) and telecom sectors.

CRISIL Intelligence estimates the domestic revenue of information technology-enabled services (ITeS) companies to grow at a compounded annual growth rate (CAGR) of 6-8% between fiscals 2025 and 2030, driven by an increase in volumes due to digitization, to reach approximately USD 6.3-7.0 billion by fiscal 2030.

## Spend in BFSI and government verticals to lead domestic revenue growth



Note: E: Estimated, P: Projected; Conversion rate taken as USD 1 = INR 84.6

Source: NASSCOM, CRISIL Intelligence

## Domestic ITeS will continue to take a backseat vis-à-vis exports

Key players in the ITeS industry are reorienting their attention towards international markets because the domestic sector is witnessing diminishing profitability.

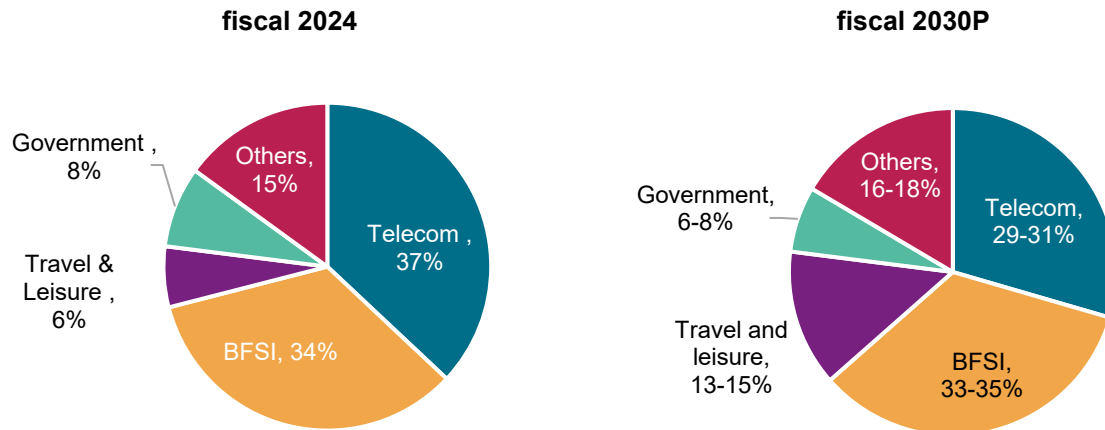
As the capital expenditure required to set up a Business Processing Outsourcing unit is low as compared to most sectors, domestic market has many small players competing for contracts. This has led to increased competition and pressure on billing rates and hence on profitability of companies. Another factor that contributes to reduced profit margins in the domestic market, in contrast to the export market, is the smaller proportion of high-value offerings like knowledge services. Domestic players face higher employee costs as a percentage of sales due to lower billing rates.

## Revenue contribution by respective sectors in domestic ITeS market

Telecom and BFSI (banking, financial services and insurance) together constituted 70% of the domestic ITeS

(information technology enabled services) sector's domestic revenue in fiscal 2024. While this trend is expected to continue in fiscals 2025, telecom is expected to lose its share, due to the pressures that the industry is facing in terms of revenues. Financial inclusion is increasing the share of digital transactions, providing opportunities in the BFSI segment. Government initiatives to digitise records should drive growth in non-voice revenue.

### Segmentation of revenue by sectors



Note: E: Estimated, 'Others' consists of healthcare, retail etc  
Source: NASSCOM, CRISIL Intelligence

Note: P: Projected, 'Others' consists of healthcare, retail etc  
Source: NASSCOM, CRISIL Intelligence

### Key trends and drivers in ITeS industry

#### Roll-out of 5G to aid growth for telecom sector

In the past, a substantial portion of the domestic ITeS revenue came from customer-interaction services. However, there is now a shift towards the adoption of more advanced and resource-efficient technologies, including chatbots and self-service applications, in addition to the already widely used interactive voice response systems (IVRS).

#### Digital payments and financial inclusion to drive growth

Financial inclusion, the expansion of payment banks, and government initiatives promoting a cashless economy are projected to create favourable prospects within the domestic ITeS market. A key driver of volume, especially in the BPO services space, is the need to service banking customers. Banks have been prioritizing the development of self-service platforms and chatbots to improve their interactions and engagement with current customers. Additionally, the rise in digital transactions is expected to create more opportunities for private players, particularly in the field of financial analytics.

#### Digital India to drive government spending on ITeS

As part of its Digital India initiative, the Indian government has aimed to boost employment opportunities in the ITeS sector. To achieve this goal, two schemes have been introduced: the India BPO Promotion Scheme (IBPS) and the Northeast BPO Promotion Scheme. The IBPS has been approved under Digital India to incentivize ITeS operations across the country. While there is no risk of default, issues related to timelines of receivables remain key risks for revenue from the government segment, as they are usually delayed.

#### Adoption of non-voice CRM

Customer relationship management (CRM) segment is expected to grow this fiscal due to immediate volume recovery in outbound-based voice calls, supply restoration. However, a shift to non-voice channels focused more on digital interaction is expected to drive growth for Indian companies. India has considerable expertise in non-voice CRM, where language and cultural handicaps are not exposed as much. As a result, India is expected to retain its global share in CRM, aided by non-voice segments.

#### Increasing adoption of Robotic process automation and decision-based analytics

The increasing adoption of Robotic Process Automation (RPA) across industries is poised to be a significant growth driver for the ITeS sector, with the banking, financial services, and insurance (BFSI) and healthcare segments leading the charge. As the US and UK continue to pioneer the adoption of RPA-based solutions, Indian ITeS players are seizing opportunities to collaborate with technology vendors, such as EXL's partnership with Automation Anywhere, to offer customized and advanced automation solutions.

### **Key risks and challenges faced by the industry**

#### ***Competition from Philippines and near shore destinations in the voice space***

The Indian ITeS industry faces significant challenges in the voice services segment, particularly from the Philippines, which has emerged as the preferred destination for such services. The country's neutral English accent, cultural affinity with the United States, and comparable employee costs to India make it an attractive alternative for clients. Furthermore, the Filipino government's supportive policies, including a concessional tax rate of 5% of gross income and exemptions from duties and taxes on equipment imports, have created a favorable business environment that is difficult for India to match. As a result, the Philippines' ITeS industry has experienced rapid growth, with its contribution to the country's GDP increasing from ~8% in 2019 to ~12% in 2023.

#### ***Geopolitical uncertainties:***

Tax tariff uncertainties, exacerbated by global events such as the Russia-Ukraine war, which is impacting spending by EU clients, pose another significant challenge for the Indian ITeS industry, as clients from the EU market may reduce their outsourcing budgets amidst economic instability, further compounding the challenges posed by anti-outsourcing sentiments in the USA and Brexit uncertainty.

### **OVERVIEW OF CYBERSECURITY MARKET IN INDIA**

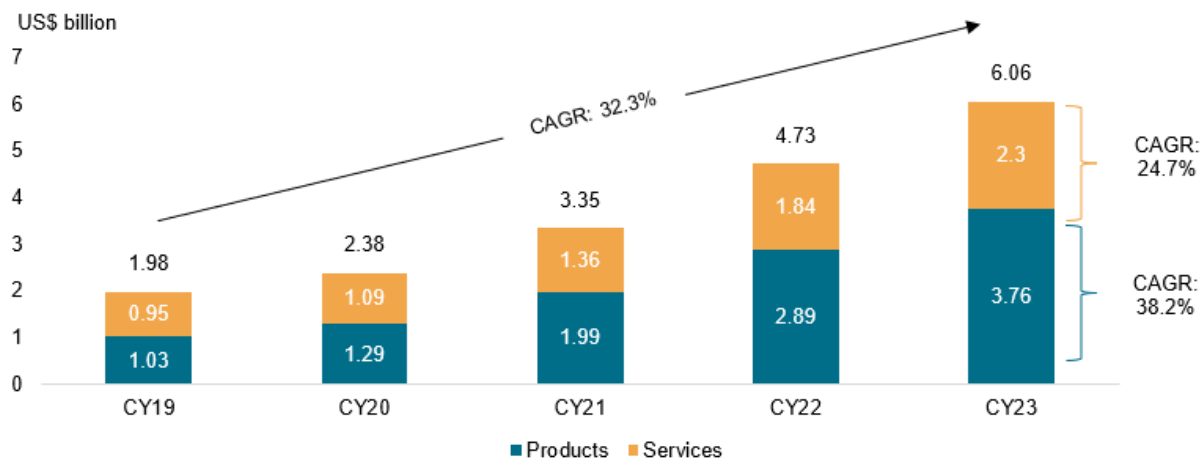
The Indian cybersecurity market has experienced remarkable growth, expanding from \$1.98 billion in CY19 to \$6.06 billion in CY23, representing a CAGR of 32.3%. The products segment has witnessed significant growth, increasing from \$1.03 billion in CY19 to \$3.76 billion in CY23, with a CAGR of 38.2%. Meanwhile, the services segment has grown from \$0.95 billion in CY19 to \$2.3 billion in CY23, with a CAGR of 24.7%, driven by digital transformation initiatives and the need for regulatory compliance.

This growth can be attributed to the increasing adoption of emerging technologies such as Artificial Intelligence (AI), Machine Learning (ML), Cloud Computing, and the Internet of Things (IoT). Furthermore, the market has seen a surge in demand for advanced security offerings, including Cloud-Native Application Protection Platforms (CNAPP), Web Application Firewalls (WAF), Cloud Infrastructure Entitlement Management (CIEM), Cloud Access Security Brokers (CASBs), Endpoint Detection and Response (EDR), Extended Detection and Response (XDR), and Next-Generation Security Operations Centers (SOCs), as well as Threat Intelligence services.

The growth of the cybersecurity market in India has also been driven by the need for organizations to protect themselves from evolving cyber threats and ensure business continuity, amidst strict regulatory requirements. As a result, companies are investing heavily in cybersecurity measures to mitigate risks and maintain compliance, thereby fueling the growth of the Indian cybersecurity market.

Government's initiatives, such as the Digital India program, have also contributed to the growth of the cybersecurity market. The government's focus on digital transformation and the increasing use of technology in various sectors have created a need for robust cybersecurity measures. Additionally, the government's allocation of funds for cybersecurity projects and the establishment of the National Cyber Coordination Centre (NCCC) have further boosted the growth of the market.

## Cybersecurity market of India



Source: DSCI

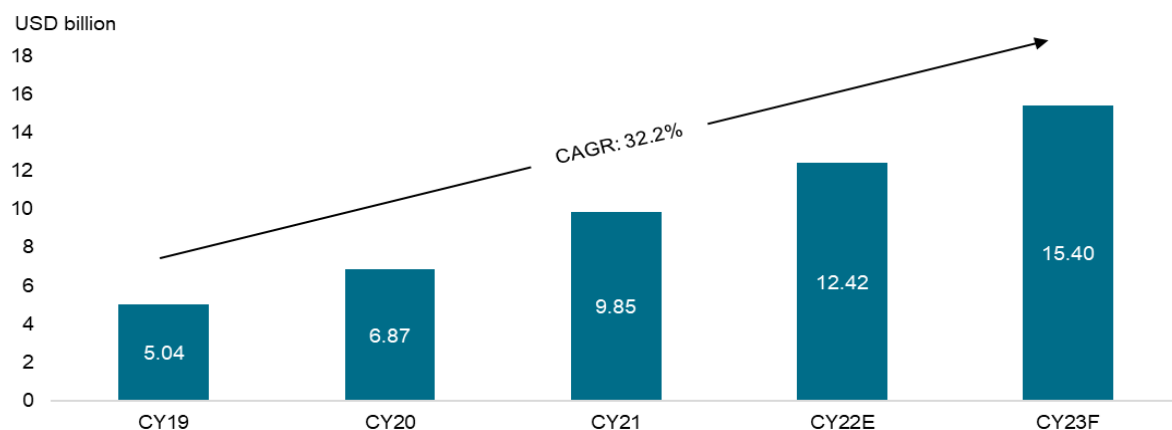
Domestic market has also seen significant growth due to the increasing demand for cybersecurity solutions from various industries, including Banking, Financial Services, and Insurance (BFSI), IT and IT-enabled Services (ITeS), and manufacturing. These industries have been at the forefront of adopting digital technologies, and as a result, they have become more vulnerable to cyber threats. To mitigate these threats, they have been investing heavily in cybersecurity solutions, which has driven the growth of the market.

The growth of the market has also been driven by the increasing awareness among organizations about the importance of cybersecurity. Organizations have realized that cybersecurity is no longer just an IT issue, but a business issue that requires attention from the top management. As a result, they have been investing in cybersecurity solutions and services to protect their businesses from cyber threats. The market is expected to continue growing in the future, driven by the increasing demand for cybersecurity solutions and services from various industries.

## Overview of cybersecurity industry revenue

The industry's revenue has increased from USD 5.04 billion in 2019 to USD 15.40 billion in 2023, representing a CAGR of ~32%. The key drivers of this growth are the adoption of cloud-first strategies, business-led innovation due to remote working conditions, a growing threat landscape and awareness around threats, and global and domestic regulations around compliance and data privacy. As a result, the industry is expected to continue growing, with revenue projections indicating a significant increase in the coming years, driven by the increasing demand for cybersecurity solutions and services to protect against evolving cyber threats and ensure compliance with regulatory requirements.

## Cybersecurity industry revenue in Indian market



Notes: Revenue includes both the domestic and export market.

Source: DSCI

Indian cybersecurity industry has seen significant investments and growth, driven by the increasing demand for cybersecurity solutions and services. Indian companies are focusing on developing and providing a range of cybersecurity solutions, including security consulting and advisory services, Managed Security Services (MSS) and Shared Services, cloud security solutions, Identity and Access Management (IAM) solutions, Governance, Risk, and Compliance (GRC) solutions, and Security Orchestration, Automation, and Response (SOAR) solutions.

Companies are also investing in research and development to create innovative cybersecurity solutions, including those using AI and ML. For example, some companies are developing AI-powered threat detection and incident response solutions, while others are developing ML-based predictive analytics solutions to identify potential cyber threats. These innovative solutions are helping Indian companies to differentiate themselves in the market and to attract customers from around the world. Cybersecurity industry is also seeing significant growth due to the increasing demand for cybersecurity solutions from the government sector. The government has been investing heavily in cybersecurity solutions to protect its critical infrastructure and to ensure the security of its citizens' data. Indian companies are well-positioned to capitalize on this demand, given their expertise in providing cybersecurity solutions and services.

Industry is also seeing growth due to the increasing adoption of cloud computing and the IoT. As more and more organizations move to the cloud and adopt IoT technologies, they are becoming more vulnerable to cyber threats. Indian companies are developing cloud security solutions and IoT security solutions to help organizations protect themselves from these threats. The growth of the industry is expected to continue in the future, driven by the increasing demand for cybersecurity solutions and services from various industries.

### Overview of impact of AI on the industry

The increasing use of AI and ML is having a significant impact on the cybersecurity industry. AI and ML are being used to enhance cybersecurity solutions, including threat detection and incident response, predictive analytics and anomaly detection, automated security orchestration and response, and IAM (Identity and access management). AI and ML are also being used to improve the efficiency and effectiveness of cybersecurity solutions, by automating routine tasks and providing real-time threat intelligence.

The use of AI and ML in cybersecurity is also changing the way organizations approach cybersecurity. Organizations are no longer just relying on traditional security measures such as firewalls and antivirus software, but are instead using AI and ML-powered solutions to detect and respond to cyber threats in real-time. This is helping organizations to stay ahead of cyber threats and to protect themselves from evolving threats.

However, the use of AI and ML in cybersecurity also poses significant challenges. For example, AI and ML-powered solutions require large amounts of data to function effectively, which can be a challenge for organizations that do not have access to such data. Additionally, AI and ML-powered solutions can be complex and difficult to implement, which can be a challenge for organizations that do not have the necessary expertise.

Despite these challenges, the use of AI and ML in cybersecurity is expected to continue growing in the future. As cyber threats continue to evolve and become more sophisticated, organizations will need to use AI and ML-powered solutions to stay ahead of these threats. The use of AI and ML in cybersecurity will also help organizations to improve the efficiency and effectiveness of their cybersecurity solutions, and to reduce the risk of cyber-attacks. Overall, the impact of AI on the cybersecurity industry is significant, and is expected to continue growing in the future.

### Growth drivers in the industry

| Parameter                                     | Description                                                                                                                                                                                                                                                                                                                                                                                             |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Regulatory Requirements and Compliance</b> | Stringent regulatory requirements, ensuring data privacy and protection, and rise in digital discoveries drive demand for data and privacy offerings, GRC, cloud security, and IAM in the BFSI sector. National regulations, policies, guidelines, and frameworks, including the DPDP Act 2023, and global regulations, such as GDPR and HIPAA, are significant drivers for privacy offerings in India. |



| Parameter                                               | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Digital Transformation and Emerging Technologies</b> | Large conglomerates are driving cybersecurity spending through digital transformation imbued with cybersecurity. The rapid pace of digital transformation, propelled by government initiatives, dynamic startup ecosystem, widespread mobile and internet access, advancements in 5G technology, and the adoption of AI/ML, is fueling increased investment in cybersecurity.                                                                               |
| <b>Government Initiatives and Investments</b>           | Government with 5G, smart city projects, Digital India, Digital inclusion, API Setu, India Stack Global, and Global Digital Public Infrastructure Repository, is emerging as high potential market. The government's initiatives and investments in digital transformation are driving the demand for cybersecurity solutions and services.                                                                                                                 |
| <b>Adoption of AI/ML and Cloud</b>                      | Increased adoption of AI/ML and cloud is driving the demand for cybersecurity solutions and services. GenAI has gained significant traction with organizations investing in GenAI to support various functions such as content creation, automating designing, enhancing datasets, drug discovery, and demand forecasting                                                                                                                                   |
| <b>Remote Working and Borderless Networks</b>           | The outbreak of COVID-19 pandemic has surged the trend for remote working and the enterprise networks have gone borderless. This change is ramping up infrastructure, endpoint, and cloud security spend. Gartner forecasted that 51% of Global Knowledge Workers will be remote by the end of 2021, driving the demand for cybersecurity solutions and services.                                                                                           |
| <b>Cybersecurity Spending in Key Sectors</b>            | Securing customer and employee data, facilitating secure hybrid working, and deploying emerging technologies are leading to investments in tighter operations and technical controls, such as encryption, DLP, etc., in the IT and ITeS sector. The BFSI sector is also driving demand for data and privacy offerings, GRC, cloud security, and IAM, due to the need to protect sensitive customer data and ensure compliance with regulatory requirements. |

Source: CRISIL Intelligence

### Key Government Initiatives:

**National Centre of Excellence (NCoE):** The National Centre of Excellence, a collaborative effort between DSCI and MeitY, aims to foster the growth of deep tech security startups and accelerate the development of cybersecurity technologies in India. One of its primary objectives is to bridge the gap between research and development, and the creation of innovative cybersecurity products.

**Cybersecurity Centre of Excellence (CCoE):** The Cybersecurity Centre of Excellence, a joint initiative between the Government of Telangana and DSCI, seeks to promote innovation, entrepreneurship, and capability building in the fields of cybersecurity and privacy. By providing a platform for incubation and acceleration of security and privacy startups, CCoE aims to establish Telangana as a hub for cybersecurity excellence.

**Funding Programs:** The Technology Development Board of DST, along with other ecosystem stakeholders, offers commercialization funding programs to support the growth of startups. These funding initiatives provide the necessary financial support for startups to develop and commercialize their innovative cybersecurity products and services, driving their growth and success.

### Key risks and challenges to the industry

| Parameter                            | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Talent Shortage</b>               | The Indian cybersecurity industry is facing a significant shortage of skilled cybersecurity talent. This shortage is making it challenging for service providers to expand their workforce and take on new projects, ultimately affecting the delivery of cybersecurity services. The lack of skilled professionals is also leading to increased competition for available talent, driving up salaries and costs for companies                                                            |
| <b>High Employee Attrition Rates</b> | Indian technology companies are struggling with high attrition rates, particularly among professionals with strong experience and expertise in digital technologies. The average attrition rate in the Indian IT industry is around 20-25%, with some companies experiencing rates as high as 30-40%. This high turnover rate is not only costly but also leads to a loss of knowledge, expertise, and intellectual property, ultimately affecting the quality of cybersecurity services. |

| Parameter                            | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Complex IT Infrastructure</b>     | The complexity of IT infrastructure is making it challenging for businesses to navigate numerous options from various OEMs, ensure compatibility with existing infrastructure, and integrate new solutions. This complexity is consuming additional IT resources and skills, leading to increased costs and decreased efficiency. Moreover, the lack of standardization and interoperability between different systems and technologies is creating security vulnerabilities, making it easier for attackers to exploit                                                         |
| <b>Rapid Technology Advancements</b> | The rapid pace of technological advancements is creating challenges for cybersecurity professionals to keep up with the latest threats and technologies. New technologies such as cloud computing, artificial intelligence, and the Internet of Things (IoT) are introducing new security risks and vulnerabilities, making it difficult for organizations to stay ahead of cyber threats. The constant evolution of threats and technologies is requiring cybersecurity professionals to continuously update their skills and knowledge, which can be a significant challenge. |
| <b>Limited Budgets and Resources</b> | Many organizations in India have limited budgets and resources, making it challenging to invest in cybersecurity measures, such as training, technology, and personnel. The lack of investment in cybersecurity is leaving organizations vulnerable to cyber threats, with many not having the necessary resources to detect and respond to incidents effectively. Moreover, the limited budgets and resources are also affecting the ability of organizations to implement robust security controls, conduct regular security audits, and maintain incident response plans.    |

Source: CRISIL Intelligence

## ASSESSMENT OF DATA CENTRE AND CLOUD SERVICES INDUSTRY

### Cloud services segment overview

Cloud services refer to the delivery of on-demand computing services over the internet as well as intranet, enabling users to access and utilize a wide range of resources and applications. Cloud Services are offered from Data Centers which can be built in-house within a organization or a built by a third party offering services over Internet.

Based on type of deployment, the cloud industry can be broadly bifurcated as follows:

- Private Cloud
- Public Cloud
- Hybrid Cloud
- Multi Cloud
- Hybrid-multi-Cloud

**Private cloud** is a virtualised environment which is owned and operated by companies for internal usage. It is accessed through internal private network and used only by the authorised personnel. Private cloud infrastructure includes on-premises data centers.

**Public cloud** is also a virtualised environment that uses standard cloud computing model to make resources and services available to organisations using the public internet. In contrast to a private cloud, a public cloud offers its services to multiple organisations via the public internet. It permits scalability and resource sharing that would not otherwise be possible for a single organisation to achieve.

**Hybrid cloud** as the name suggests is a mixed computing environment that runs on both private and public cloud. Hybrid cloud allows one to migrate and manage workloads between various environments based on specific business needs of the organisation.

**Multi cloud** is where an organisation uses the cloud computing environment of two or more vendors together. In other words, instead of using single cloud environment the multi cloud tries to use a combination of two or more public clouds, or private cloud. This provides organisations an advantage for creating strategies that involves multiple cloud environments to suit the business needs.

**Hybrid multi cloud** is when an organisation uses multiple cloud environments having a combination of both private and public clouds.

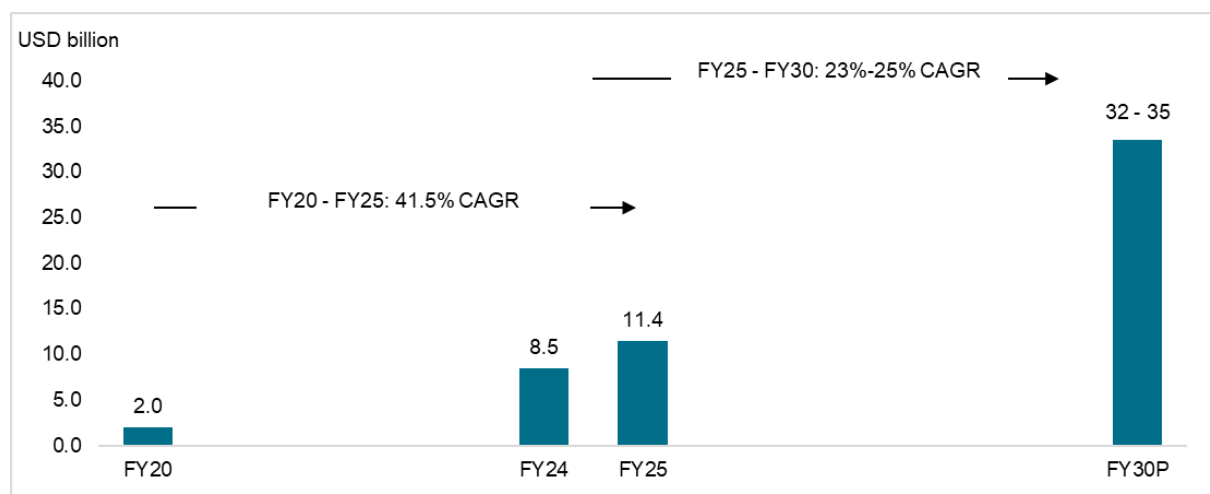
## Indian cloud services industry

### Indian cloud service industry dominated by private cloud environment

Similar to that of global trends, the Indian cloud services industry is majorly dominated by the private cloud environment. However, the trend is changing with increase in adoption of public cloud given its low upfront and ownership costs thus reducing the overall operational costs for the company. In terms of adoption of public cloud, small enterprises lead the way when compared to that of large and medium enterprises given its lower operational costs when compared to other deployment models. Large enterprises adoption remains low given their existing on-premises data centres. Instead, they're adapting the hybrid environment to as benefit from the advantages of public cloud.

As of fiscal 2020, the public cloud market is valued at USD 2.0 billion which has grown at a CAGR of 42% reaching USD11.5 billion by fiscal 2025. This growth is majorly driven by accelerated adoption of digital services across sectors after Covid-19 pandemic. Further, the pandemic revealed the underlying advantage of public model environment being more scalable and flexible when compared to other models, which played a vital role in increasing its adoption during the mentioned period. Going forward, initiatives and support from Government of India coupled with growing internet penetration is likely to speed up the adoption of cloud services and new technologies. CRISIL Intelligence projects the Indian Public Cloud market to grow at CAGR of 23-25% reaching USD 32 - 35 billion by fiscal 2030.

### Assessment of public cloud services industry in India



E: Estimates, P: Projected, Conversion rate taken as USD 1 = INR 84.6

Source: Crisil Intelligence

### Key growth drivers and trends in global cloud services industry

| Parameter                                       | Description                                                                                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cloud cost management to gain more traction     | In recent times, on-demand pricing model of cloud has become popular in spite of being expensive highlighting companies favoring commitment less consumption of cloud services. Given this scenario, going forward, with increase in usage of cloud, cloud cost management will also play a crucial in cloud adoption.                                                                                                    |
| Industry specific and government cloud momentum | Cloud is a priority for organizations across sectors, but adoption of cloud may vary from sector to sector. But technology upgradation in cloud services hardware vendors, hyper scalers are ready with solutions to adapt to sudden requirements and aid firms in their digital transformation. This bolsters the momentum of firms from across the sectors along with government organizations favoring cloud adoption. |
| Global expansion of businesses                  | As businesses start expanding their operations globally, they rely on cloud services to provide consistent and reliable access to applications and data for employees and customers worldwide. The cloud's geographic reach and availability zones enable companies to expand operations in a seamless manner.                                                                                                            |

| Parameter                                                       | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Increasing adoption of remote work culture</b>               | The rapid expansion of remote work, accelerated by the COVID-19 pandemic, has driven increased demand for cloud-based collaboration and communication tools. Cloud services facilitate remote work by enabling employees to access data and applications from anywhere, fostering the need for cloud infrastructure and software solutions.                                                                                                                                                                                                                                               |
| <b>Focus on sustainability leading to public cloud adoption</b> | Over the last decade, enterprises across the globe have recognized the importance of environmental, social and governance (ESG) factors in the context of corporate responsibility. As top power/energy consumers, cloud technology providers have made strong commitments to become 100% powered by renewable energy and advance toward net-zero carbon footprints. Increasing focus on sustainability by cloud service providers vis-à-vis traditional corporate datacenter-centric on-premises IT will become an increasingly prominent selling point for the cloud service providers. |

Source: Crisil Intelligence

## Data centre industry overview

Modern data centers have evolved from their traditional physical infrastructure approach. Infrastructure has shifted from traditional physical servers to virtual networks that support applications and workloads across pools of physical infrastructure and into a multicloud environment. Today, there is interconnection across multiple data centers, and public and private clouds. Data centre connectivity refers to the network of physical and virtual links that enable data centres to communicate with each other, with the outside world, and with the devices and applications that rely on them. This connectivity is critical to the functioning of data centres, as it allows them to exchange data, provide services, and support a wide range of applications and workloads. Data centre connectivity typically involves a combination of fibre optic cables, Ethernet connections, and wireless links, which provide high-speed, low-latency, and highly reliable connections between data centres, cloud services, and end-users. The connectivity infrastructure also includes network equipment such as routers, switches, and firewalls, which manage and secure the flow of data in and out of the data centre.

The importance of data centre connectivity cannot be overstated, as it has a direct impact on the performance, reliability, and security of the data centre. With the increasing demand for cloud computing, big data analytics, and IoT applications, data centre connectivity is becoming even more critical, as it enables the rapid exchange of large amounts of data between data centres, cloud services, and end-users. Furthermore, the growth of edge computing, which involves processing data closer to the source, is also driving the need for high-speed, low-latency connectivity between data centres and edge locations. As a result, data centre operators and connectivity providers are investing heavily in building out their connectivity infrastructure, including the deployment of new fibre optic cables, the upgrade of network equipment, and the implementation of software-defined networking (SDN) and network functions virtualization (NFV) technologies to improve the efficiency, scalability, and security of their connectivity services. The data center must be able to communicate across these multiple sites, across both on-premises and cloud. Even the public cloud is a collection of data centers situated at some location. When applications are hosted in the cloud, they are using data center resources from the cloud provider. Data center design includes routers, switches, firewalls, storage systems, servers, operating systems, networks and application delivery controllers. Because these components store and manage business-critical data and applications, data center security is critical in data center design. The key components in a Data center are:

- **Network infrastructure** This connects servers (physical and virtualized), data center services, storage, and external connectivity to end-user locations
- **Storage infrastructure** Data is the fuel of the modern data center. Storage systems are used to hold this valuable commodity
- **Computing resources.** These servers provide the processing, memory, local storage, and network connectivity that drive applications

The infrastructure setup in a Data center include power subsystems, uninterruptible power supplies (UPS), ventilation, cooling systems, fire suppression, backup generators, and connections to external networks. The migration from an on-premises data center to a cloud data center doesn't mean moving everything to the cloud. Many companies have hybrid cloud data centers which have a mix of on-premises data center components and remote centers components. Data center offerings can be classified as below:

- On-premises IT
- Co-location
- Hosting

- Infrastructure as a service (IaaS)
- Software as a service (SaaS)
- Platform as a service (PaaS)

**On-premises IT** services are accessed and used by the internal personnel only. As the names suggests these services are processed on-premises providing an advantage in terms of control over the data stored. These are built, owned, and operated by companies and are optimized for their end users.

**Colocation** is a service where the company rents space in the data centers owned by a third party and is off premises for the company. In this the third party provides services such as building, cooling systems and the company manages servers, storage, firewall and rest of the components

**Hosting** is a service where the third party owns the servers, storage, networks and data centers while rest of the components are managed by the company itself. These data centers are managed by a third party (or a managed services provider) on behalf of a company. The company leases the equipment and infrastructure instead of buying it.

Cloud data center is an off-premises form of data center where data and applications are hosted by a cloud services provider such as Amazon Web Services (AWS), Microsoft (Azure), or IBM Cloud or other public cloud provider. Cloud service provides their services primarily based on three standard service models: Infrastructure as a Service (IaaS), Platform as a Service (PaaS) and Software as a Service (SaaS)

**IaaS**, also known as Hardware as a Service (HaaS), is a service where the infrastructure components such as virtual machines, data center, storage and network are owned by the third party and provided as service to the business entities. The business entity manages what they have on cloud such as data, applications, operating systems and databases.

**SaaS** is a service where the company manages the data and applications that are being stored on cloud by while rest of hardware and software is provided by the third party. In SaaS, the end consumer who is availing the service has control over the infrastructure such as data centers, servers, storage provided by the third party. Further in SaaS, while on the front-end cloud technology is used in providing the service, in the back-end data center infrastructure is being utilised for providing the cloud service.

**PaaS** is a service where third party manages all the software and hardware while the company is managing data. Similar to that of SaaS, in PaaS as well, the end consumer who is availing the service has no control over the infrastructure such as data centers, servers, storage provided by the third party. The front-end cloud technology is used in providing the PaaS, in the back-end data center infrastructure is being utilised for providing the cloud service by some data center provider.

## Cloud Computing Service Models: Responsibilities Matrix

| On-premises                        | Co-location                        | Hosting                            | IaaS                               | PaaS                               | SaaS                               |
|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Data                               | Data                               | Data                               | Data                               | Data                               | Data                               |
| Applications                       | Applications                       | Applications                       | Applications                       | Applications                       | Applications                       |
| Databases                          | Databases                          | Databases                          | Databases                          | Databases                          | Databases                          |
| Operating Systems                  | Operating Systems                  | Operating Systems                  | Operating Systems                  | Operating Systems                  | Operating Systems                  |
| Network security and configuration | Network security and configuration | Network security and configuration | Network security and configuration | Network security and configuration | Network security and configuration |
| Virtualisation                     | Virtualisation                     | Virtualisation                     | Virtualisation                     | Virtualisation                     | Virtualisation                     |
| Physical Servers                   | Physical Servers                   | Physical Servers                   | Physical Servers                   | Physical Servers                   | Physical Servers                   |
| Storage                            | Storage                            | Storage                            | Storage                            | Storage                            | Storage                            |
| Network                            | Network                            | Network                            | Network                            | Network                            | Network                            |
| Data centers                       | Physical access to Data centers    | Physical access to Data centers    | Physical access to Data centers    | Physical access to Data centers    | Physical access to Data centers    |

|  |                     |  |                                              |
|--|---------------------|--|----------------------------------------------|
|  | Managed by customer |  | Managed by one or multiple service providers |
|--|---------------------|--|----------------------------------------------|

Source: Industry sources, CRISIL Intelligence

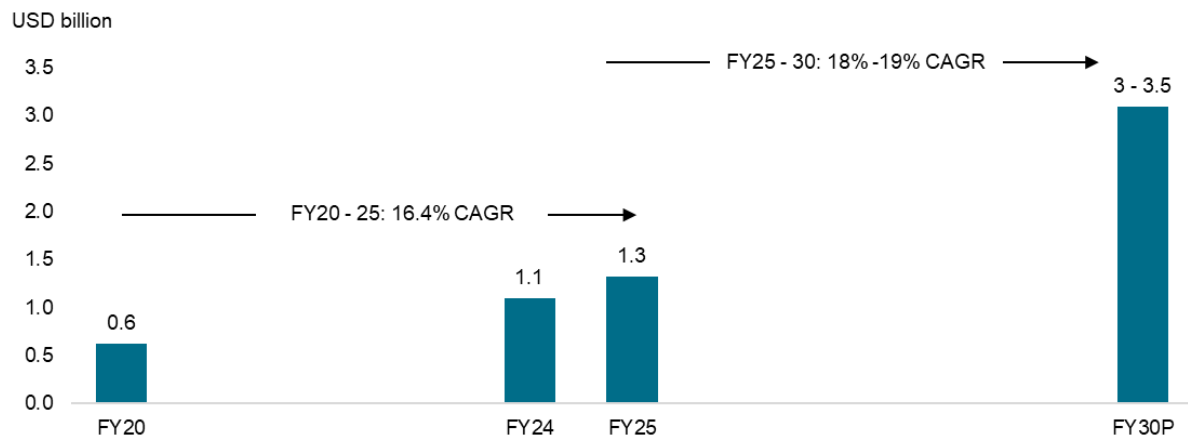
## Overview of India data centre industry

From fiscal 2020 to fiscal 2025, the Indian data center industry has seen a growth at CAGR of ~16.4%. This growth can be attributed to factors such as growth in internet accessibility, surge in e-commerce adoption, rise in digital adoption due government initiatives such as UPI and e-governance. Further, with the increasing number of organisations adopting cloud infrastructure as a means of reducing their expenses has catered to demand growth of data centers during the aforementioned period.

Going forward, the industry is expected to see a CAGR of 18%-19% between fiscal 2025 and 2030, reaching ₹ 255 – 270 billion by the end. The growth is enabled by increasing consumption of data, 5G rollouts across India as well as advanced in technologies such as IoT, Big data, Artificial intelligence and Machine Learning. In addition to thrust from government through initiatives such as data protection bill 2023, draft data center policy, infrastructure status for data center also drive the growth.

Recently, various government organisations have brought in regulations aiding data localisation, these include RBI mandating data regarding payment transactions and KYC to be stored in India, SEBI mandating all its regulated entities to store their data in India. Further adoption of localisation by government and private entities would bolster the growth in industry.

## Data Centre industry in India



Notes: E: Estimates, P: Projected, Conversion rate taken as USD 1 = INR 84.6

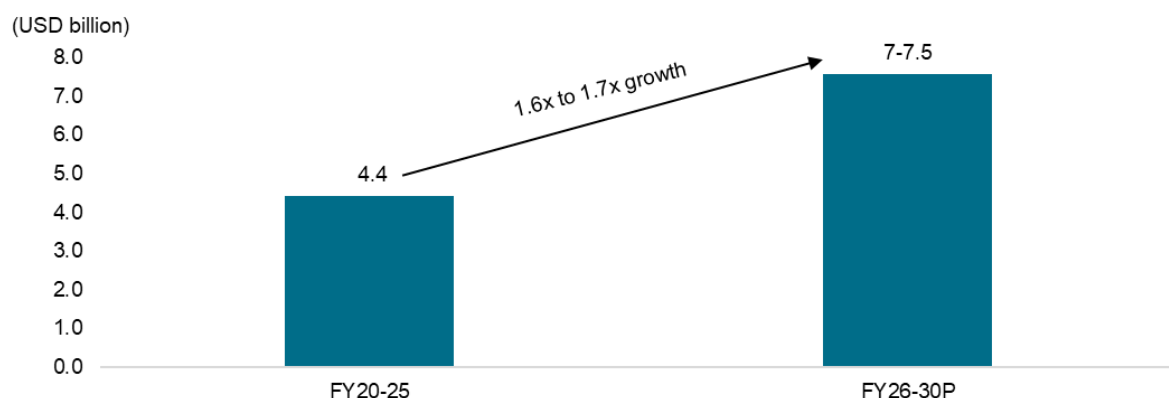
Source: CRISIL Intelligence

## Overview of data center construction — Mechanical, Electrical and Plumbing (MEP)

A critical aspect of data center construction is the Mechanical, Electrical, and Plumbing (MEP) infrastructure, which refers to the essential systems that support the operation of a data center. MEP includes mechanical systems, such as cooling units, air handling units, and ventilation systems, which maintain a stable and optimal environment for the data center's equipment, as well as electrical systems, including power distribution units, uninterruptible power supplies, and backup generators, which provide reliable and efficient power to the data center. Additionally, plumbing systems, such as water supply and drainage systems, support the cooling systems and other data center operations. The MEP components also encompass other critical elements, including power setup, cooling units, fibre connectivity, and racks and cabinets, which house the data center's servers, storage systems, and other equipment. The growth in capex towards MEP components is expected to be driven by the increasing demand for data center capacity, as well as the need for more efficient and reliable infrastructure to support the growing demands of the digital economy.

The demand for data centres across the globe is driven by the emergence of AI and ML and the growing digital economy's demands for data-intensive applications, IoT applications, online streaming, gaming, remote work etc. Globally and in India, the industry is expected to clock 1.6x to 1.7x growth in capex between fiscals 2025 and 2030 towards the mechanical, electrical and plumbing (MEP) components which include power set-up, cooling units, fibre connectivity, racks etc.

## Projected data centre construction — MEP capex (including fibre optic connectivity)



Notes: Conversion rate taken as USD 1 = INR 84.6

The above figure includes only the capex towards new data centre construction

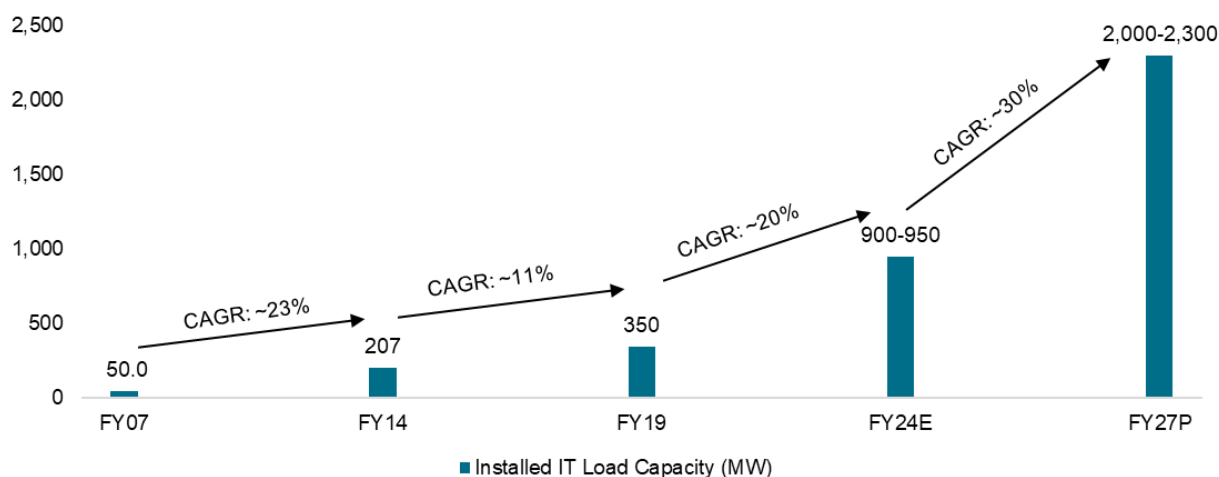
MEP: power set-up, cooling units, fibre connectivity, racks etc.

Source: Industry, CRISIL Intelligence

## India installed capacity to cross 2 GW by fiscal 2027

The Indian data centre market has experienced significant growth and transformation in recent years. The key factors that contribute to the dynamism and potential of the market are the Digital India initiative, data localisation regulation and rapid growth in data consumption. The increasing global investment and rise of colocation and edge computing have also boosted the overall growth of data centre market in India. Data centre capacity in the country has grown from 350 MW in fiscal 2019 to 900-950 MW in fiscal 2024 and expected to reach to 2000-2300 MW by fiscal 2027

### Data Centre capacity in India (fiscal 2007-27P)

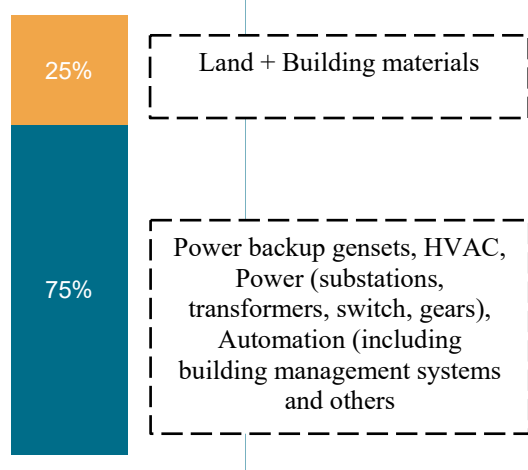


Source: Industry, CRISIL Intelligence; Note: E – Estimated P – Projected

India's data centre capacity is on a remarkable growth trajectory. This explosive growth was driven by a powerful trifecta of factors: i) the data boom fuelled by the proliferation of digital services and the widespread adoption of technology creating an insatiable demand for data storage and processing capabilities; ii) 5G user base to reach over 350 million by FY26 and GenAI, IOT, big data to drive further growth; iii) government regulations mandating data localisation (the storage of sensitive data within the country). The regulations align with the government's broader digital initiatives that seek to ensure data sovereignty. Collectively, these dynamics position India as a key player in the global data centre landscape.

### Industry to see a capex investment of USD 6.5 to 7.5 billion over fiscal 2025-27

USD 6.5-7.5 billion



- CRISIL estimates data centre industry to see a capex of ~USD 6.5-7.5 billion between fiscals 2025 and 2027.
- The capex is led by the lower real estate costs and availability of skilled manpower in comparison to countries making India a cost-effective region for construction of data centres.
- Further, players are investing upfront capex such as land, building and common mechanical, electrical and plumbing (MEP) activities to demonstrate their expertise which further indicates the future growth in the industry.

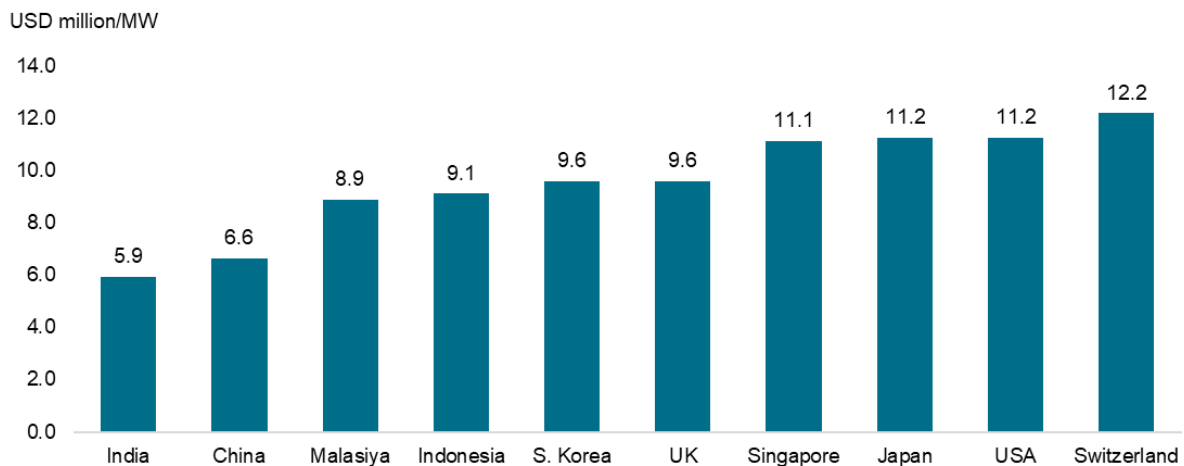


Notes: Conversion rate taken as USD 1 = INR 84.6  
Source: Industry, company reports, CRISIL Intelligence

Increasingly, investments in the data centre sector are tied to contractual agreements, providing greater predictability. Industry players are strategically investing upfront in land, construction and shared MEP infrastructure to showcase their expertise and ensure readiness.

Remarkably, nearly half of the capex is expected to be dedicated to modular components, allowing customisation according to customers' specific MEP requirements. This approach optimises resource allocation and aligns with the flexibility demanded by diverse clients in the ever-evolving data centre landscape. It indicates that as a dynamic industry, the data centre operations are adapting to customer needs and also maintaining cost-efficiency and expertise.

#### Lower real estate cost and availability of skilled manpower make India a cost-effective market



Notes: Conversion rate taken as USD 1 = INR 84.6  
Source: Industry, CRISIL Intelligence

India stands out as a cost-effective market for data centre as the cost for creating per MW of capacity in the country stands at USD 4.9 million, lower than many other countries. The reasons for the lower cost are the affordable rates of real estate in the country and the presence of a skilled workforce. In contrast, countries such as Singapore, Switzerland, the USA and Japan have considerably higher construction costs per MW, ranging from USD 11.1 million to USD 12.2 million.

Overall, India has a competitive edge in the data centre industry. For businesses, establishing or expanding their data infrastructure in India will be economical as they will be able to maintain cost-efficiency.

#### Investments announced in the industry

The data centre industry in India has been experiencing a traction for investments in recent years, propelled by the country's growing digital economy, increasing internet penetration, and the government's push for digital transformation initiatives. The industry is seeing investments from real estate players, global PE funds, domestic and global data centre operators. India's vast population and the rising demand for digital services have made India an attractive market for data centre infrastructure development. Recent announcements made in the industry are as follows

| Sr. No. | Companies involved  | Description                                                                                                                                                                                                                                  |
|---------|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Amazon Web Services | Amazon Web Services announced its plans to invest \$12.7 billion in Indian cloud infrastructure by 2030. In addition to this it has also planned to make a total investment of ₹ 363 billion to set up six data centres over the next decade |
| 2.      | Reliance            | Reliance industries entered into agreement Brookfield Infrastructure and Digital Realty in a plan to develop data centers in key locations of Mumbai                                                                                         |

| Sr. No. | Companies involved          | Description                                                                                                                                                                                               |
|---------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |                             | and Chennai.<br>The alliance announced the acquisition of land in Mumbai to build a 40MW data center                                                                                                      |
| 3.      | AdaniConneX                 | AdaniConneX (a Joint enterprise between Adani Enterprises and EdgeConneX) has raised \$213 million to finance its under construction data centers in Noida and Chennai                                    |
| 4.      | Web Werks and Iron Mountain | The joint venture between Web Werks and Iron Mountain is planning to invest ₹ 14,000 million to develop a data center in Navi Mumbai                                                                      |
| 5.      | Blackstone                  | Through its data center platform Lumina CloudInfra, Blackstone's Real estate and Tactical Opportunities Fund is planning to invest around \$300 million in developing a data center campus in Navi Mumbai |
| 6.      | Digital Edge                | Singapore-based data center platform Digital Edge is foraying into India by acquiring 47-acre land along with realty developer Assetz Property Group                                                      |
| 7.      | Anant Raj                   | The real estate company plans to ₹ 100 billion in developing data centres with a capacity of 300 MW over the next four to five years.                                                                     |

Source: CRISIL Intelligence

### Growth drivers in the Indian data centre industry

| Parameters                                        | Overview                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Government Initiatives</b>                     | <p>Recognising the importance of data centres in driving the growth towards digital economy, the Indian government has brought in several measures to aid the establishment and expansion of data centres across the country. Key measures such as</p> <ul style="list-style-type: none"> <li>• Inclusion of data centres into harmonised list of infrastructure to aid the industry in availing long-term credit from domestic and international lenders at concessional rates and help in boosting the investments in the industry</li> <li>• Introducing Digital Personal Data Protection Bill (2023) under which personal data collected online or collected offline and digitalised should be processed within India was major focus among others</li> <li>• Introduction of draft Data Centre Policy (2020), with focus on various aspects such as declaration of data centres as essential services, recognition of data centres as separate category under National Building Code and setting up of data centre economic zones</li> <li>• Promotion of digital India campaign focusing on improving digital penetration, e-governance and digital manufacturing in the country</li> <li>• Skill development programs such as DESH for developing an efficient and skilled workforce</li> </ul> <p>Among the above mentioned, initiatives such as digital personal data protection bill and digital India campaign would also drive the demand for cloud services in India.</p> |
| <b>Increasing adoption of cloud services</b>      | <p>The increasing adoption of cloud services allow companies to eliminate upfront capital infrastructure costs, thereby increasing their accessibility of IT services to small and medium sized organisations, as well as startups. Moreover, by reducing the need for extensive on-site hardware, these models are fuelling the demand for data centre services. Further, businesses are continually seeking agile, cost-efficient solutions to meet their IT requirements through the adoption of cloud models, which will further drive the expansion of data centres.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Adoption of new technology-based solutions</b> | <p>Firms are consistently incorporating modern technologies into their operations to meet the growing need for IT and related services. As enterprises embrace digital transformation, the infusion of advanced tools like AI, IoT, Big Data analysis, and Machine Learning into their processes requires robust and scalable IT systems, leading to a surge in data centre demand. Moreover, the adoption of technologies like 5G accentuates the importance of low latency and swift data access, further driving the requirement for more data centres as well as cloud services.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Rise in internet penetration</b>               | <p>With the drastic fall of internet prices coupled with improved infrastructure internet penetration in India has increased from 25.15 crore in fiscal 2014 to 96.96 crore till July 2024.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Parameters                     | Overview                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                | Similarly, internet subscribers have grown at a CAGR of 285.53% between fiscal 2014 and 2024. The smartphone penetration has also seen a raise from 38% of overall phones in fiscal 2018 to 63% in fiscal 2023. This coupled with data localisation proposed under Digital Personal Data Protection Bill (2023) would aid the growth of data centres and cloud services in India.                                                                                                                                                                                                                                                                                                                                       |
| <b>Business transformation</b> | As companies across sectors race to modernize their operations, adopt digital technologies, and harness the potential of cloud computing the need to accommodate vast amounts of data, ensure seamless connectivity, and facilitate advanced analytics also increase. This in turn creates a demand for robust, scalable, and efficient data centre infrastructure thus aiding the industry growth                                                                                                                                                                                                                                                                                                                      |
| <b>Workplace productivity</b>  | The widespread adoption of cloud technology has played crucial role in enhancing workplace productivity. By harnessing the capabilities of the cloud, organisations can streamline operations, optimise resource allocation, and facilitate seamless collaboration among teams, regardless of the geographical constraints. As businesses continue to rely on cloud-based solutions for enabling remote work, real-time data access, and scalable infrastructure, the data centre industry is expected to see further demand as data centres form major part in accommodating the storage, processing, and managing volumes of digital information. This would also aid in demand creation for cloud services industry. |

Source: CRISIL Intelligence

### Key challenges in the Indian data centre industry

| Parameters                                        | Overview                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Speculative Capacity</b>                       | The data centre industry in India is witnessing a surge in investments, leading to an increase in speculative capacity. This means that many data centres are being built without confirmed demand, resulting in unused capacities. This can lead to a cash flow mismatch, as the revenue generated from these unused capacities may not be sufficient to cover the operational expenses, including power consumption, maintenance, and staffing. The increasing competition in the sector will further exacerbate this issue, making it challenging for data centre operators to maintain profitability.                                                                                     |
| <b>Pricing Risks</b>                              | The data centre industry in India is highly competitive, which can lead to pricing pressure, especially during contract renewals. Data centre operators may be forced to reduce their prices to retain customers, which can impact their revenue and profitability. Moreover, migrating to a different data centre is a complex and time-consuming process, making it difficult for customers to switch providers. Therefore, data centre operators must remain competitive in terms of pricing to retain their customer base.                                                                                                                                                                |
| <b>Import Dependence</b>                          | The data centre industry in India is heavily dependent on imported equipment, including servers, storage systems, and networking gear. The "Make in India" initiative aims to reduce this dependence on imported equipment and promote domestic manufacturing. While this is a positive development, it may take time to achieve significant reductions in import dependence, and data centre operators must continue to manage the risks associated with relying on imported equipment                                                                                                                                                                                                       |
| <b>Technological Innovation and Security Risk</b> | The data centre industry is rapidly evolving, with new technologies and innovations emerging regularly. While this presents opportunities for growth and improvement, it also poses risks, particularly with regards to data security. Data centre operators in India must ensure that they have high levels of data security in place to protect against cyber threats and data breaches. However, the rapid pace of technological change also means that equipment and systems can become obsolete quickly, making it essential for data centre operators to stay up-to-date with the latest technologies and innovations                                                                   |
| <b>Regulatory Environment</b>                     | The regulatory environment in India is currently favorable for the growth of the data centre industry, with various initiatives and policies aimed at promoting the sector. However, regulatory provisions related to sustainability, such as those pertaining to power consumption and environmental impact, may pose challenges for data centre operators in the future. Data centres consume significant amounts of power, which can contribute to environmental degradation and climate change. As regulatory scrutiny increases, data centre operators in India must ensure that they are compliant with relevant regulations and are taking steps to reduce their environmental impact. |

Source: CRISIL Intelligence

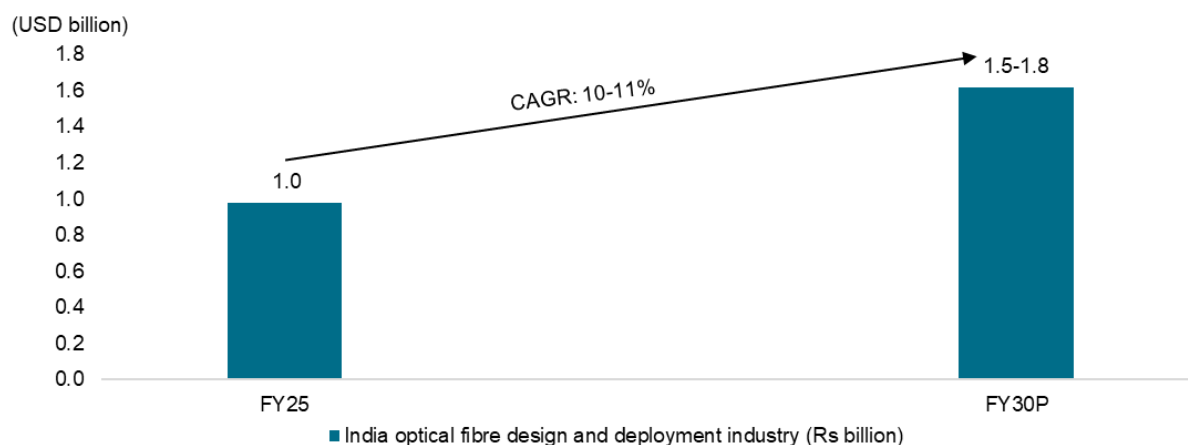
## ASSESSMENT OF OPTICAL FIBRE DESIGN AND DEPLOYMENT INDUSTRY IN INDIA

### Overview of optical fibre design and deployment Industry in India

#### Optical fibre design and deployment industry in India projected to be USD 1.5-1.8 billion by fiscal 2030

The Indian optical fibre design and deployment industry is defined according to the service offerings such as optical fibre laying and roll-out, network deployment, and system integration across end-use sectors such as telecommunications, defence, railways, smart cities, IT, and enterprises etc. The industry is estimated to be ~USD 1.0 billion as of fiscal 2025. Going ahead, the industry is expected to grow to USD 1.5-1.8 billion by fiscal 2030, clocking a CAGR of 10-11% over the period fiscal 2025-2030. The optical fibre network is the backbone of the burgeoning digital economy of India. The industry growth is supported by drivers such as digital transformation across sectors, growing 5G coverage and infrastructure, FTTH, government schemes and policies (BharatNet, Digital India, Smart Cities, Fiberisation targets etc), systems and network modernisation across sectors such as defence, railways etc.

#### Optical fibre design and deployment industry in India



*Note: The above industry size includes the optical fibre design and deployment projects implemented by 3rd party service providers and excludes optical fibre network deployment by an entity through its group companies*

*Conversion rate taken as USD 1 = INR 84.6*

*Source: Industry, CRISIL Intelligence; Note: E – Estimated P – Projected*

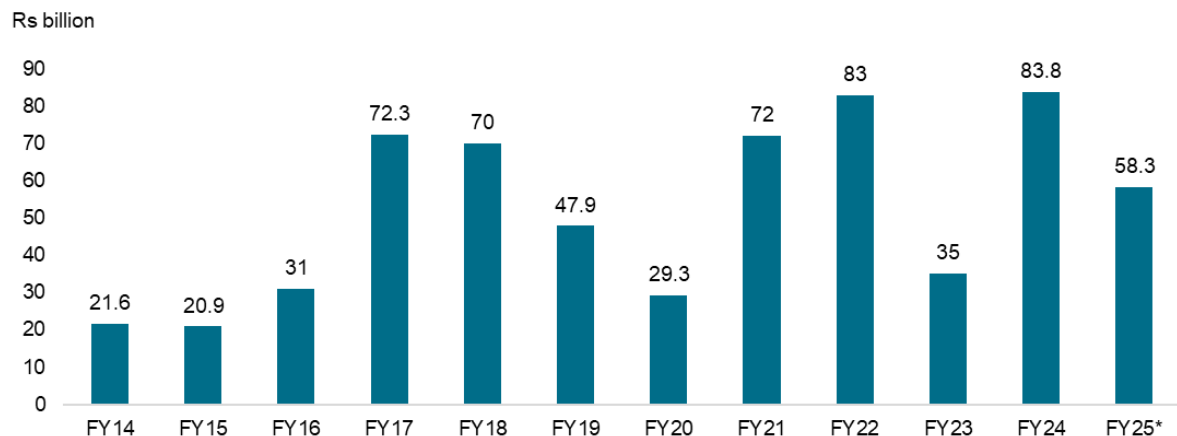
#### Government schemes and regulations to strongly support optical fibre design and deployment industry growth

##### Capital allocation to USOF and DoT projects to aid growth

The industry's growth is aided by government investments in the telecommunications sector. Between fiscals 2017 and 2024, the budget allocation towards the Department of Telecommunications (DoT) logged a CAGR of 22.3%, led by higher allocation towards the Universal Service Obligation Fund (USOF) and DoT projects, including towards the domestic industry incentivisation schemes (such as PLI) and wireless planning and coordination. For fiscal 2024, Rs 975.8 billion was allocated to the telecommunication ministry, which is ~2% of the overall budget and up 19% on-year. Of this, Rs 530.0 billion was infused in BSNL.

The USOF fund was started by the Government of India in 2003 to provide telecom services (including mobile services, broadband connectivity and information and communication technology (ICT) infrastructure creation, added in 2006) for rural and remote areas. Under the fund, some projects are allotted to various mobile service providers to facilitate mobile network, especially in rural and remote areas.

## USOF funds disbursal



Note: \* as on September 31, 2024

Source: Universal Service Obligation Fund, Department of Telecommunications, Ministry of Communications, Government of India, CRISIL Intelligence

Additionally, allocation towards the Digital India programme, which includes electronic governance, capacity building and skill development, manpower development, promotion of electronics and IT hardware manufacturing and promotion of digital payments, among others, has seen a cumulative investment of ~Rs 290 billion since fiscal 2017, with ~Rs 48 billion budgeted for fiscal 2024.

## NHAI's Digital Highways presents major opportunities for the industry

The National Highway Authority of India aims to develop ~10,000 km of OFC infrastructure across the country by fiscal 2025. The implementation of the OFC network and Digital Highways will be done by developing integrated utility corridors along the national highways. For the development of Digital Highway, a stretch of ~1,367 km along the Delhi-Mumbai Expressway and 512 km along the Hyderabad-Bangalore Corridor has been identified as pilot routes. A three-metre-wide dedicated utility corridor utilised to lay OFC is part of the 246 km-long Delhi-Dausa-Lalsot section of the Delhi-Mumbai Expressway. The network will aid the provision of internet connectivity to remote areas and new telecom technologies such as 5G and 6G. The network will be leased out on a fixed-price allotment mechanism on an 'open for all' basis through a web portal to eligible users. The OFC allotment policy is being finalised in consultation with DoT and the Telecom Regulatory Authority of India (TRAI).

## BharaNet scheme to significantly boost optical fibre connectivity across Indian villages

The government is implementing the BharatNet project hailed as one of the biggest rural telecom projects globally. It is scheduled to be implemented in a phased manner in all the gram panchayats (~0.25 million) in the country for access to broadband connectivity to all the telecom service providers. The total funding of the scheme (phase-I approved in 2011 and phase-II in 2017), is Rs 420.68 billion (exclusive of goods and services taxes, octroi and local taxes). As on 31st December 2023, a total of Rs. 398.25 billion has been disbursed under BharatNet Project since inception of the project.

So far, 214,323 gram panchayats are connected through the BharatNet project and 6.9 lakh km of OFC has been laid. Additionally, 12,63,947 FTTH connections have been commissioned and 104,574 Wi-Fi hotspots installed to ensure last-mile connectivity as on 28th April, 2025.

In February 2024, BSNL rolled out a tender worth Rs 650 billion for phase-III, which represents a major opportunity for domestic optical networking product suppliers such as Sterlite Technologies, HFCL, Birla Cable, Vindhya Telelinks and more.

## **National Broadband Mission 2.0 to focus on providing high-speed, affordable broadband access all over India**

National broadband mission 1.0 (NBS 1.0) launched in 2019 and targeted to enhance digital connectivity across India (Laying 30 lakh km of optical fiber cable, increasing tower density from 0.42 to 1.0 towers per thousand by 2024, connect all villages by 2022) post completion of NBS 1.0, In January 2025 government has launched NBS 2.0 with a goal to connect the remaining 1.7 lakh villages in India, Expand the Optical Fiber Cable (OFC) connectivity to 2.70 lakh villages by 2030, minimum fixed broadband download speed of 100 Mbps all over India, to provide affordable broadband services in order to overcome socio-economic divide and the scheme will lay groundwork for 5G networks rollout and prepare for eventual deployment of 6G Technologies.

Below is the progress under NBS 1.0 since the launch:

- No. of broadband subscribers increased from 66 crores to 94.49 crores.
- Per capita average monthly wireless data consumption increased from 10 GB to 21.10 GB.
- The median mobile broadband download speed witnessed a substantial increase, rising from 10.71 Mbps in 2019 to an impressive 144.33 Mbps in February 2025. Similarly, the median fixed broadband download speed increased from 29.25 Mbps in 2019 to 61.66 Mbps in February 2025
- Optical Fiber Cable (OFC) length increased from 19.35 lakh route km to 42.13 lakh route km.
- Mobile towers increased from 5.37 lakh to 8.23 lakh.
- Base Transceiver Stations (BTSs) increased from 21.80 lakh to 29.97 lakhs including 4.69 lakh 5G BTSs.

## **Strong government support to BSNL**

As part of its commitment towards enhancing the services in the telecom sector, the government has from time-to-time infused capital into BSNL for it to remain relevant against private competitors for implementing the latest technologies. In 2019, the government approved the first revival package for BSNL/MTNL worth Rs 690 billion. In 2022, with the approval of the second revival package of Rs 1.64 trillion, state-run entities gained financial support for capex, viability gap funding for rural landlines, financial support for de-stressing the balance sheet and settlement of adjusted gross revenue dues and merger of BBNL with BSNL. In June 2023, the third revival package for BSNL with the total outlay of Rs 890.47 billion was approved. The total home fibre subscriber base of BSNL in Dec 2024 is 35.33 lakh.

## **Amendments to the Right of Way Rules and GatiShakti Sanchar portal for faster 5G rollout and fiberisation**

The telecommunications (Right of way) rules, 2024 notified on 17th September 2024 and to be effective from 1st January 2025. It removed multiple acts like Indian telegraph act-1885, Indian wireless telegraphy act-1933, The telegraph wires (unlawful possession) act -1950. The Centralized Right of Way (RoW) Permissions system serves as a collaborative institutional mechanism, uniting all stakeholders, including Central and State/UT Governments, local bodies and service providers, to streamline the Right of Way (RoW) application process through a unified interface.

The average time for approval of RoW applications reduced from 435 days in 2019 to 17 days in May 2025. In addition, certain revisions to the processing fees were part of these amendments. The administrative fee for laying both overground and underground optical fibre was limited to Rs 1,000/ km. As per the amendments, the street infrastructure may be utilised at a nominal cost of Rs 100/annum to install overground optical fibre.

The government has launched the GatiShakti Sanchar portal for the Centralised RoW approvals. The portal is now functional with all 36 states/UTs onboard and integrated with the Ministry of Railways, Ministry of Road Transport and Highways, Ministry of environment and Ministry of Defence. The portal acts as a common single point for RoW permissions to lay down OFC and erecting mobile towers to be used by TSPs as well as infrastructure providers to aid faster infrastructure development, which will enable quicker 5G deployment.

## **Government is providing public Wi-Fi service through the PM-WANI scheme**

To expedite the expansion of broadband internet services, the government introduced the Prime Minister Wi-Fi Access Network Interface (PM-WANI) in 2020. The public Wi-Fi service is available across the nation through public data offices and has 278,804 Wi-Fi hotspots, including more than 6112 train stations spanning 30 states as of April 2025. In August 2022, the government introduced a 5-P model (people-panchayat-public-private-partnership) to broaden the reach of the PM-WANI scheme, extending its coverage to rural areas and hinterlands

of the country. This model emphasises on collaboration between people, local governance bodies (panchayats), the public and private entities to facilitate the implementation and success of the PM-WANI initiative in remote and rural regions.

### Key trends and drivers of the optical fibre design and deployment industry

| Parameter                                       | Description                                                                                                                                                                                                                                                              |
|-------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Increasing demand for bandwidth</b>          | The growing demand for high-speed internet, driven by applications like video streaming, cloud computing and 5G networks has led to a significant increase in the demand for optical fibre infrastructure.                                                               |
| <b>5G deployment</b>                            | The rollout of 5G networks requires robust and high-capacity optical fibre networks to support the increased data traffic, low latency requirements and connectivity demands of 5G technology.                                                                           |
| <b>Data centre connectivity</b>                 | The expansion of data centres and the adoption of cloud services have driven the need for high-speed, reliable and low-latency connectivity solutions, making optical fibre infrastructure essential.                                                                    |
| <b>FTTH deployment</b>                          | The push for broadband connectivity directly to residences and businesses is driving the deployment of FTTH networks. Governments and service providers are investing in optical fibre to enhance internet access and speeds.                                            |
| <b>Smart cities and IoT connectivity</b>        | The development of smart cities and the increasing number of Internet of Things (IoT) devices are driving the demand for robust and scalable optical fibre networks to support the connectivity requirements of various smart applications.                              |
| <b>Advancements in optical fibre technology</b> | Ongoing advancements in optical fibre technology, such as higher data transmission speeds and improved efficiency, are influencing the design and deployment industry. These developments aim to enhance the overall performance and capacity of optical fibre networks. |
| <b>Global connectivity projects</b>             | Initiatives and projects focused on enhancing global connectivity, such as undersea cable systems, are driving the demand for optical fibre design and deployment services to lay and maintain the necessary infrastructure.                                             |

Source: CRISIL Intelligence

### Key risks and challenges the industry faces

The industry faces various risks and challenges that have an impact on its operations and growth. The following are some of key risks and challenges:

| Parameter                                      | Description                                                                                                                                                                                                                                          |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Regulatory and permitting challenges</b>    | Complex regulatory requirements and permitting processes can lead to delays and increased costs in project execution. Navigating through different regulations in various regions can be a significant challenge.                                    |
| <b>Cost overruns</b>                           | Unforeseen construction challenges, changes in project scope, unavailability of right of way, and fluctuations in material or labour costs can lead to cost overruns, impacting project profitability.                                               |
| <b>Supply-chain disruptions</b>                | The optical fibre design and deployment industry is dependent on a global supply chain for equipment and materials. Disruptions such as shortages, transportation issues or geopolitical factors can impact the timely delivery of components.       |
| <b>Technological changes and obsolescence</b>  | Advancements in deployment technology can render existing techniques obsolete. Design and deployment companies need to adapt to new technologies and ensure that the deployed optical fibre networks remain competitive and meet evolving standards. |
| <b>Environmental impact and sustainability</b> | Design and deployment companies may face challenges related to environmental regulations and sustainability concerns. Balancing the need for expanding networks with minimising environmental impact is a growing consideration.                     |



| Parameter                                        | Description                                                                                                                                                                                                                    |
|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Weather and natural disasters</b>             | Construction projects are susceptible to weather-related disruptions and natural disasters. Extreme weather conditions, such as hurricanes, earthquakes or floods, can cause delays and damage to infrastructure.              |
| <b>Quality control and performance assurance</b> | Ensuring the quality and performance of the optical fibre networks is crucial. Issues related to network reliability, signal loss or other performance problems can lead to costly rework and damage the company's reputation. |
| <b>Skilled-labour shortages</b>                  | The optical fibre design and deployment industry requires skilled labour for design, installation and maintenance. Shortages of skilled workers in specific regions can lead to project delays and increased labour costs.     |

Source: CRISIL Intelligence

## Overview of optical fibre design and deployment market in UK

The optical fibre design and deployment market in the UK is characterised by a dynamic landscape shaped by technological advancements, regulatory frameworks and policy initiatives. It has experienced strong growth driven by the increasing demand for high-speed and reliable broadband connectivity. With the government's emphasis on digital transformation and the rollout of advanced technologies, the need for a robust optical fibre infrastructure is growing in the country. The optical fibre cable sector, contributing an estimated ~ £88 million to the UK economy (as per Trade Remedies Authority, UK), plays a pivotal role in delivering broadband services in the country, with approximately 5.7 million fibre kilometres sold in 2021.

## Overview of key aspects of regulatory and policy environment

| Parameter                                       | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Ofcom regulations</b>                        | <p>The Office of Communications (Ofcom) is the regulatory authority overseeing the communications sector in the UK. It plays a crucial role in regulating and promoting competition in the optical fibre market.</p> <p>Its policies focus on ensuring fair competition, encouraging investment in high-speed broadband infrastructure and fostering consumer interests.</p>                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Government initiatives</b>                   | <p>The UK government has introduced Project Gigabit, to drive the widespread adoption of full-fiber networks across the country. The ultimate goal of these programmes is to achieve 100% coverage of gigabit-capable broadband by 2030.</p> <p>Project Gigabit, a £5 billion government-funded initiative, aims to deliver next-generation gigabit broadband to over one million households and businesses in the UK, with a focus on reaching the most remote and hard-to-reach areas, referred to as "Very Hard to Reach" (VHTR) premises. The project will be implemented in multiple phases, ensuring that even the most isolated communities have access to high-speed broadband, thereby bridging the digital divide and promoting economic growth and development throughout the UK</p> |
| <b>Digital strategy</b>                         | The UK's digital strategy outlines a commitment to providing world-class digital infrastructure, with a specific focus on full-fibre and 5G networks. This strategy aligns with the goal of making the UK a global leader in digital connectivity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>National Infrastructure Commission (NIC)</b> | The NIC provides strategic advice to the government on infrastructure challenges. It has emphasised the importance of prioritising full-fibre and 5G infrastructure to enhance the country's competitiveness.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Local authorities and planning</b>           | Local authorities play a role in facilitating the deployment of optical fibre networks. Planning policies and permissions are crucial factors influencing the speed and efficiency of network rollout                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Openreach and market competition</b>         | Openreach, a subsidiary of the BT Group, holds a strong position in the UK's optical fibre market. Regulatory measures are aimed at ensuring fair access to Openreach's infrastructure, promoting competition among service providers.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |



| Parameter                          | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>International collaboration</b> | <p>The UK collaborates with international partners to share best practices and align standards in optical fibre technology. This collaboration contributes to the global interoperability of optical fibre networks.</p> <p>While regulatory measures and government initiatives promote the growth of the optical fibre design and deployment market, challenges, such as ensuring rural connectivity, addressing planning constraints and navigating complex supply-chain dynamics, remain. The market presents opportunities for innovation, collaboration and investment to meet the evolving connectivity needs of businesses and consumers across the UK. These developments underscore the intricate interplay between regulatory frameworks, government policies and industry dynamics shaping the optical fibre design and deployment market in the UK.</p> |

## OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 8 for a discussion of the risks and uncertainties related to those statements and “Risk Factors”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 15, 152 and 361, respectively, for a discussion of certain factors that may affect our business, results of operations or financial condition. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise stated or the content otherwise requires, references in this section to “our Company”, “we”, “us”, or “our” (including in the context of any financial or operational information) are to us, our Subsidiaries, on a consolidated basis. Also, see “Definitions and Abbreviations” on page 1 for certain terms used in this section.*

### Overview

Our Company is a leading provider of digital infrastructure and IT services, enabling large-scale digital transformation across Enterprise, Telecom, Government, and Defence. We enable digital transformation by providing state-of-the-art connectivity services, system integration services (Network, Data Center, Cloud & Cybersecurity), Managed Services, and AI enabled solutions. Through our capabilities in systems integration, digital modernization, and operations management, we support mission-critical infrastructure projects with a focus on scalability, reliability, and security.

### Core Business Segments

- **Fibre Services:** We are a key player in India’s fibre infrastructure domain, delivering scalable and future-ready optical networks across diverse terrains and geographies. Our services include end-to-end deployment of FTTx, intercity, intracity, long-haul, and Data Center fibre infrastructure. With a robust project management framework, proven execution capabilities, and a dependable vendor ecosystem, we consistently deliver secure and high-performance fibre solutions at scale.
- **Network Services:** Our Network Services portfolio encompasses end-to-end system integration and network transformation. We offer software-defined networking solutions that ensure seamless service delivery in complex, multi-vendor environments. Our services include design, deployment, and integration of core and access networks, with capabilities extending across public and private sector ICT infrastructure. These solutions are tailored to meet the dynamic requirements of next-generation connectivity
- **Data Center Services:** We offer fully integrated Data Center design, build, and operational solutions. Our services span colocation, power and connectivity infrastructure, and AI-driven monitoring. We enable enterprises and public sector clients to achieve scalability, operational resilience, and energy efficiency through tailored, high-performance data center environments that are compliant with international standards and optimized for future growth
- **Cloud Services:** Our Cloud offerings include infrastructure modernization, Cloud-native enablement, consulting, transformation & migration and Managed services. With capabilities in hybrid, multi-cloud deployment and migration, we help clients harness scalable and secure cloud environments integrated with automation and AI for improved efficiency and agility. These solutions empower organizations to adapt to dynamic workloads and digital business models.
- **Cybersecurity Services:** We provide a comprehensive Cybersecurity portfolio covering consulting, security architecture, audits, and 24x7 operations. Built on a multi-layered defence framework and powered by AI-driven threat analytics, our services enable clients to proactively detect and mitigate cyber risks. Our approach combines regulatory compliance with adaptive threat management for enterprise-grade security posture.
- **Managed Services:** Our managed services platform supports digital infrastructure, cybersecurity, cloud, and workplace transformation. Backed by automation tools and a distributed delivery network, we ensure SLA-driven execution across data centers, networks, and enterprise environments. We deliver end-to-end monitoring, support, and optimization to ensure operational excellence.
- **Infrastructure Safety & Security:** Our safety and surveillance solutions enhance operational continuity and

asset protection. Offerings include integrated access control, perimeter defence, video analytics, and command and control centers, deployed across critical infrastructure projects. These solutions are designed to meet public safety objectives and align with smart infrastructure goals.

- **Application Infrastructure Services:** We support large-scale IT operations through Integrated Application and Infrastructure management systems. Our platforms include unified network and service management, hospital information systems, and customized application layers for sector-specific deployments. These systems enable real-time monitoring, data integration, and decision-making for critical services.
- **Intelligent Industry Services:** We enable industrial digitization through Intelligent automation, IoT, network transformation, and OT security. Our solutions power digital transformation across mining, manufacturing, and energy sectors, driving productivity, safety, and efficiency. These offerings are built to support autonomous operations and predictive maintenance in industrial settings.

We serve a diversified base of customers across multiple key segments, including Telecom, Government, Defence, Citizen networks, and large enterprises (including not limited to BFSI, Education, Mining, Energy, transport and Healthcare). Our longstanding relationships with major telecom operators have played a pivotal role in national-scale digital infrastructure deployment. We have executed multiple large programs for central and state governments and defence organizations, reinforcing our capabilities in managing complex infrastructure rollouts in high-security and high-compliance environments.

Our role in BharatNet Phases II and III, involving broadband enablement in rural India, and the implementation of secured communication infrastructure for the Indian Army and Navy, underscores our ability to deliver critical connectivity solutions across public mission networks. We have also supported the digital transformation of research and education ecosystems through tailored data center infrastructure and allied services. Additionally, we have recently achieved a key entry into the BFSI sector with a strategic project win, further expanding our presence across regulated industries requiring robust digital infrastructure and data security standards.

As of FY25, we have deployed approximately 123,000 route kilometers of optical fibre, supported 47 data centers, and connected over 45,000 locations across India. These include Gram Panchayats, telecom exchanges, and government institutions. This infrastructure base reflects our ability to scale network and IT infrastructure reliably across urban, semi-urban, and rural geographies.

Domestically, we have delivered National Long Distance (“NLD”) and FTTx infrastructure for leading telecom service providers PAN India. In the defence sector, we have enabled communication systems in high-sensitivity regions such as Jammu & Kashmir and modernized digital communications infrastructure for the Indian Navy. In the Education and Research segment, we have provided secure cloud and cybersecurity frameworks for an autonomous government body. In the Healthcare sector, we implemented the Hospital Management Information System (HMIS) across more than 250 public hospitals across Mumbai, enhancing operational efficiency and data transparency.

Internationally, we have extended our delivery capabilities to the United Kingdom, where we are a key partner in fibre infrastructure rollout. In FY24, we completed FTTx deployments for a leading UK digital transformation player, covering 12,000 rural premises. Our scope in the UK includes FTTH, FTTC, and Physical Infrastructure Access (PIA)-based deployments, with cumulative coverage exceeding 250,000 homes through Next Generation Access (NGA) technologies. Our program delivery in the UK is based on a scalable, technology-led execution framework aligned with client-led priorities and regulatory requirements.

Our execution capabilities and operational discipline have been acknowledged through multiple industry recognitions. In 2023, we were certified at CMMI 2.0 Level 5 for Services, indicating strong process maturity. We received the “Excellence in Use of Technology” award at the CPO Awards 2023 and were named “Most Valuable Corporate Business Partner” by a strategic client. In addition, we were recognized with the “Transformation Award 2023” for risk mitigation excellence, the “Delivery Excellence” award at the CII DX Awards 2024, and the “Gold Award” for Occupational Health, Safety, and Environment (OHSE) from the World Safety Organization. These recognitions demonstrate our continued focus on disciplined execution, service reliability, and alignment with customer and stakeholder expectations. We remain committed to delivering scalable and secure digital infrastructure that supports long-term national and enterprise transformation objectives.

The following table sets forth certain financial information with respect to our business for the years/ periods indicated:

(Rs. in Crores)

| Particulars              | Fiscal 2023 | Fiscal 2024 | Fiscal 2025 |
|--------------------------|-------------|-------------|-------------|
| Revenue (Rs. in Crores)  | 0.00        | 0.00        | 1,179.72    |
| (EBITDA) (Rs. in Crores) | (0.01)      | (0.02)      | 80.71       |
| EBITDA Margin (%)*       | 0.00%       | 0.00%       | 6.84%       |

\*EBITDA Margin is calculated as segment results (EBITDA) divided by segment revenue from global services business.

## Our Strengths

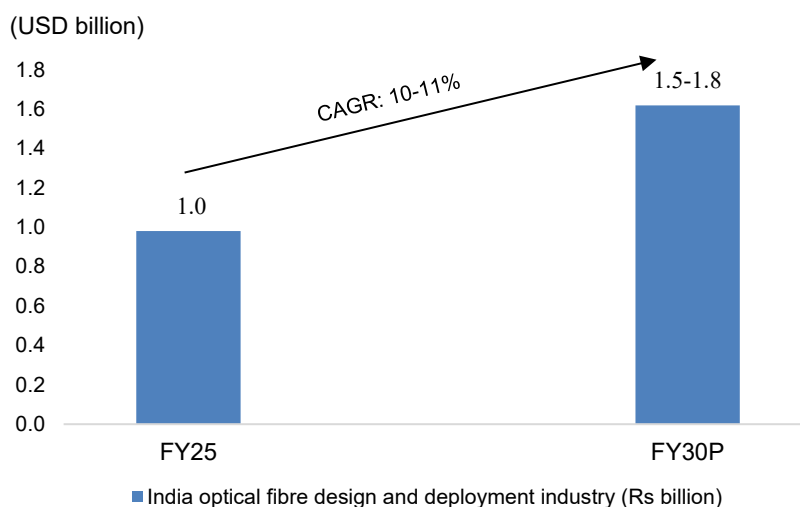
Our position as a leading digital infrastructure and IT services leader is underpinned by our expertise in growing market spaces, a diverse portfolio, a strong customer base, extensive geographical reach, a robust vendor ecosystem, strategic partnerships, and our commitment to leveraging digitization and automation for efficient operations.

### 1. As a market leader, we are well-positioned to take advantage of the growing Industry

#### Optical Fibre Design and Deployment Industry:

We are well-positioned to capitalize on the sustained growth of India's optical fibre design and deployment industry. According to CRISIL, the industry is estimated at ~USD 1 billion as of fiscal 2025 and is expected to grow to USD 1.5–1.8 billion by fiscal 2030, reflecting a CAGR of 10–11%. This expansion is driven by sector-wide digital transformation, 5G rollout, increasing FTTH penetration, and large-scale network modernization across defence, railways, and public infrastructure. Our deep-rooted capabilities in high-scale project execution and integrated fibre solutions enable us to address this growing demand with speed, precision, and impact.

#### Optical fibre design and deployment industry in India



(Source: CRISIL)

#### Government schemes & regulations supporting growth:

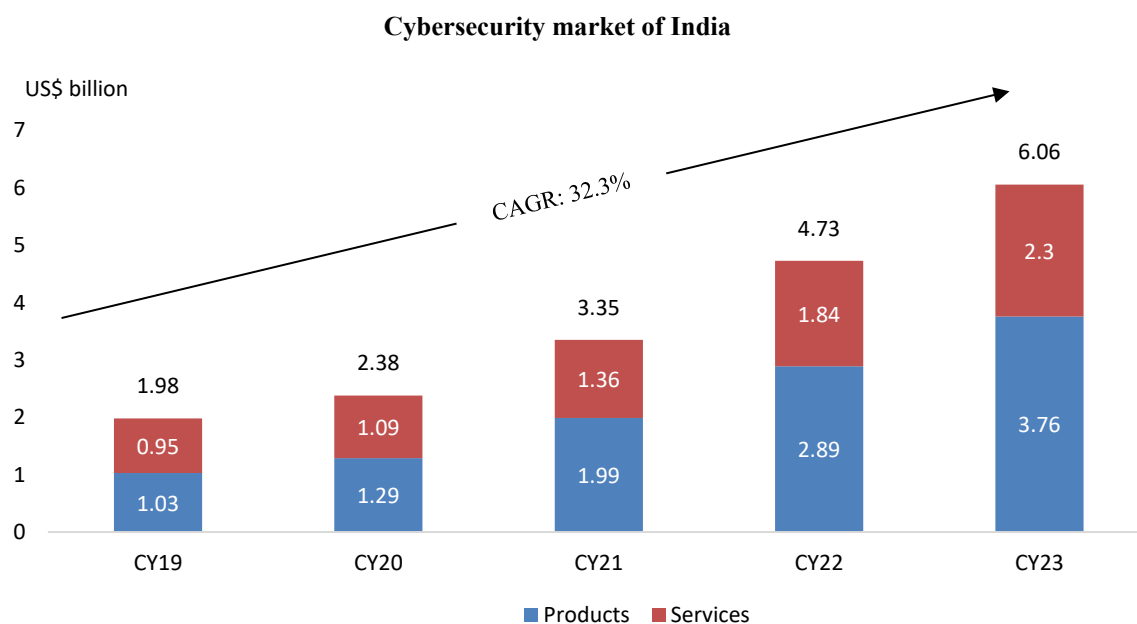
- BharatNet:** Recognized as one of the world's largest rural broadband initiatives, BharatNet is designed to deliver high-speed connectivity to nearly 250,000 gram panchayats across India. As of December 2023, over ₹398 billion has been disbursed under Phases I and II, enabling 214,323 gram panchayats through 690,000 km of optical fibre, with over 1.26 million FTTH connections and 104,574 Wi-Fi hotspots installed. In February 2024, BSNL launched a ₹650 billion tender for Phase III, presenting a significant opportunity for Invenia given our end-to-end fibre deployment capabilities and proven track record in earlier phases.
- National Broadband mission:** Targeting fiberisation of 70% of India's base transceiver stations (BTS) by FY25, the National Broadband Mission is set to drive significant network densification. As of June 2022, fiberisation stood at 35.11%, with approximately 1 million route kilometers of OFC laid by PSUs.

The government aims to scale this to 5 million km by FY25, alongside a target of 1.5 million fiberized mobile towers, laying the groundwork for Invenia's fibre and network services expansion.

- **Digital India:** The Digital India program continues to drive national digitization across key areas, including e-governance, skills development, electronics manufacturing, and digital payments. Since FY2017, cumulative investments have reached ~₹290 billion, with ₹48 billion allocated for FY2024 alone. These investments align closely with Invenia's core offerings across network integration, digital infrastructure, and sector-specific platforms. (CRISIL)
- **Amendments to the Right of Way Rules:** In August 2022, the Indian government introduced landmark amendments to the Indian Telegraph RoW Rules (2016) to streamline telecom infrastructure rollout. These reforms have drastically reduced RoW approval times—from an average of 435 days in 2019 to just 16 days by July 2022. The GatiShakti Sanchar portal, launched for centralized RoW clearances, is now fully operational, with integration across all 36 states/UTs and key ministries. These regulatory tailwinds are accelerating execution timelines for digital infrastructure players like Invenia. (Source: CRISIL)

India's digital ecosystem is on a strong growth trajectory, with rising technology adoption across both enterprise and government segments. IT spending is accelerating, particularly in areas such as cybersecurity, infrastructure modernization, and digital operations. The IT services market continues to expand steadily, underscoring the increasing reliance on digital-first strategies across industries. Simultaneously, demand for scalable, secure, and agile digital infrastructure, especially in cloud and data centers, is creating new opportunities for trusted transformation partners like Invenia.

#### Cybersecurity Industry:



(Source: CRISIL)

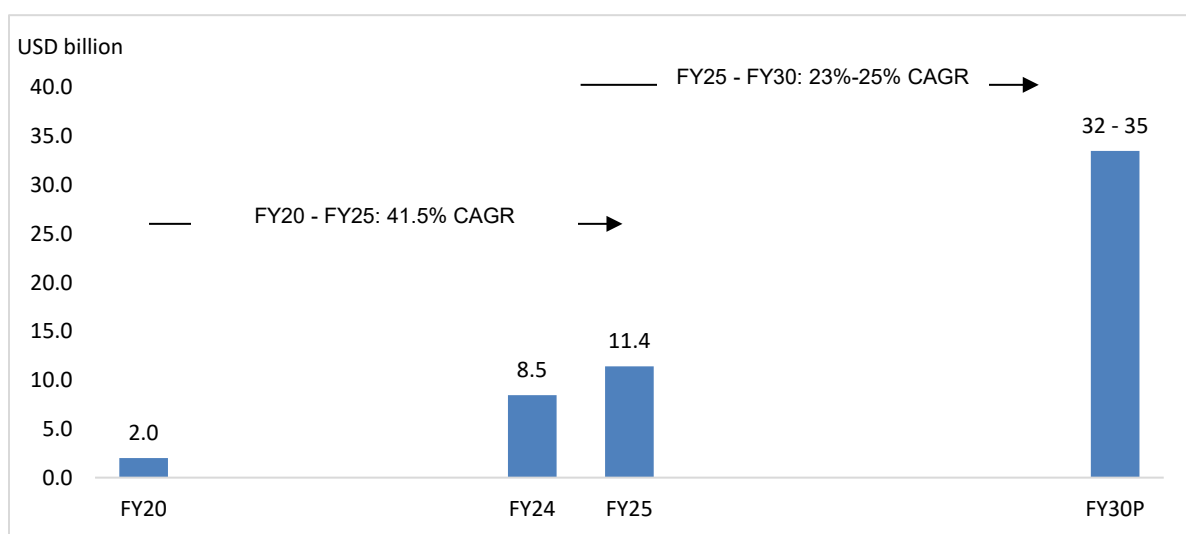
India's cybersecurity industry is experiencing robust growth, driven by rising demand across enterprise and government sectors. Indian companies are delivering a comprehensive suite of solutions—including consulting, MSS, cloud security, IAM, GRC, and SOAR—and are investing in R&D to develop AI- and ML-powered threat detection and predictive analytics tools. With increasing government focus on securing critical infrastructure and citizen data, Indian cybersecurity firms are well-positioned to capture both domestic and global opportunities.

According to CRISIL, the market grew from USD 1.98 billion in 2019 to USD 6.06 billion in 2023, registering a compound annual growth rate (CAGR) of ~32%. The products segment has witnessed significant growth, increasing from \$1.03 billion in 2019 to \$3.76 billion in 2023, with a CAGR of 38.2%. Meanwhile, the services segment has grown from \$0.95 billion in 2019 to \$2.3 billion in 2023, with a CAGR of 24.7%, driven by digital transformation initiatives and the need for regulatory compliance. (Source: CRISIL)

AI and ML are transforming the cybersecurity landscape by enabling advanced capabilities such as real-time threat detection, predictive analytics, anomaly detection, and automated incident response. These technologies are enhancing the efficiency of cybersecurity operations by automating routine tasks and delivering actionable threat intelligence. Organizations are increasingly moving beyond traditional security measures to adopt AI-driven tools that offer faster, adaptive responses to evolving threats. However, the integration of AI and ML in cybersecurity also presents challenges. High data requirements, implementation complexity, and the need for specialized expertise can limit adoption. Despite these constraints, AI and ML have become integral to modern cybersecurity architectures, significantly influencing how organizations detect, prevent, and respond to cyber risks.

### ***Cloud Services Industry:***

#### ***Assessment of public cloud services industry in India***

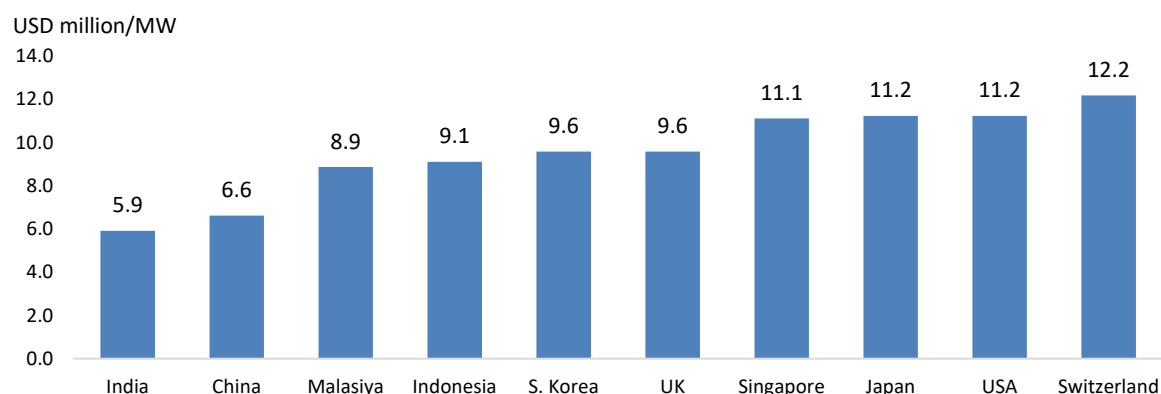


(Source: CRISIL)

The cloud services industry has also witnessed rapid growth, supported by widespread digitization across sectors. The public cloud market grew from USD 2 billion in fiscal 2020 to USD 11.4 billion in fiscal 2025, registering a CAGR of 42%. Key enabling factors include flexibility, scalability, favorable government policies, and improved access to high-speed internet. The market is projected to reach USD 32-35 billion by 2030, representing a CAGR of 23-25% over the period. The increased adoption of cloud-based infrastructure to optimize costs and improve agility has led to a corresponding rise in demand for data center capacity. This demand is further reinforced by increased internet penetration, growth in e-commerce, and large-scale digital initiatives such as Unified Payments Interface (UPI) and e-governance. (Source: CRISIL)

### ***Data Center Industry:***

#### ***Lower real estate cost and availability of skilled manpower make India a cost-effective market***



(Source: CRISIL)

India's data center market has grown at a CAGR of approximately 16.4% between FY2020 and FY2025 and is projected to accelerate to a CAGR of 18–19% through FY2030, reaching a total market size of USD 3-3.5 billion. Installed capacity has increased from 350 MW in FY2019 to approximately 900–950 MW in FY2024 and is expected to reach 2,000–2,300 MW by FY2027. The growth is primarily attributed to three structural drivers: (i) a significant increase in data consumption associated with digital services and technology adoption; (ii) wider deployment of 5G, generative AI, IoT, and big data technologies; and (iii) government regulations that mandate data localization. Between FY2025 and FY2027, the data center industry is expected to attract capital investments in the range of USD 6.5-7.5 billion. India continues to offer competitive advantages for data center development, including relatively lower real estate costs and access to a skilled workforce, resulting in a reduced cost per Mega Watt of capacity. These factors position the company to effectively address emerging opportunities in high-growth digital infrastructure segments. (Source: CRISIL)

## **2. *Diverse portfolio & customer base***

We offer an integrated portfolio of digital infrastructure and technology services across multiple core areas: Network Services, Data Center Services, Cloud Services, Cybersecurity Services, Fibre Services, Managed Services, Infrastructure Safety and Security Services, Application Infrastructure Services, and Intelligent Industry Services. These offerings are structured to address the varied requirements of clients operating in both domestic and international markets. Our customer base includes Telecom, Government, Defence, Citizen networks, and large enterprises (including but not limited to BFSI, Education, Mining, Energy, Transport and Healthcare). We have delivered projects in a range of operational environments, demonstrating our capability to meet sector-specific standards on scale. Long-term partnerships form a key component of our business model. We have maintained a multi-year engagement with a leading Indian telecom operator, supporting fibre infrastructure deployment across PAN India. Internationally, we are executing large-scale FTTx programs in the United Kingdom aimed at expanding gigabit broadband connectivity across both urban and rural areas. These programs involve full-scope responsibility, including network planning, civil works, fibre laying, testing, and operational integration. In India, we have played a leading role in several strategic national programs, including modernization of digital infrastructure for the defence sector, rural broadband implementation under BharatNet, and the deployment of long-haul optical fibre networks for major telecom service providers. These engagements reflect our capability to operate within high-compliance, multi-stakeholder ecosystems and deliver infrastructure aligned with national and sectoral connectivity priorities. Our growing international presence and continued partnerships with institutional clients position us well in the digital infrastructure domain and support our long-term growth outlook.

## **3. *Extensive experience and expertise in the execution of large-scale and complex turnkey Projects***

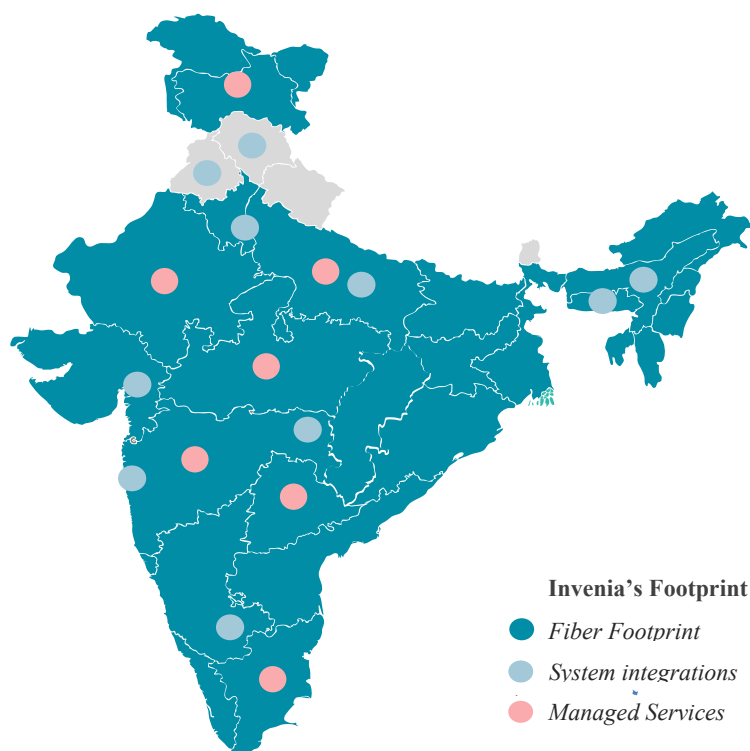
We have developed significant technical and operational capabilities in executing large-scale turnkey network infrastructure projects. These engagements typically cover the entire project lifecycle, including planning, design, engineering, construction, testing, and commissioning. Over the years, we have delivered multiple major system integration projects, some with a revenue contribution exceeding Rs. 1,000 Crores. These projects span diverse geographies and operating environments, demonstrating the scalability and repeatability of our execution frameworks. Notable engagements include the modernization of India's defence network, an end-to-end initiative involving the design and deployment of a next-generation secure digital communication infrastructure. Under the BharatNet program, we led the implementation of statewide fibre optic networks across Maharashtra, Telangana, and Tamil Nadu in support of public broadband connectivity. These projects involved the deployment of optical fibre across varied terrain conditions, including forested regions, remote villages, and arid landscapes, demonstrating our ability to deliver under technically challenging conditions. Internationally, we have executed large-scale FTTx deployments in the United Kingdom, aimed at enabling gigabit broadband connectivity across urban and rural areas. These projects involved comprehensive responsibilities, including Physical Infrastructure Access (PIA), securing planning permissions, civil works, and final network commissioning, in compliance with stringent regulatory and performance standards. Our experience across domestic and international turnkey projects has strengthened our ability to design, build, and operate complex digital infrastructure at scale. These capabilities contribute to enhanced client confidence in our ability to deliver time-bound, quality-focused outcomes. They also improve our qualifications for additional large-format opportunities across public and private sectors. Our established expertise in systems integration, combined with our ability to manage multi-stakeholder environments, reinforces our position as a preferred partner for end-to-end network rollouts across strategic customer segments.

## **4. *Strong Geographical presence & a robust vendor ecosystem***

We have a strong fibre network presence across PAN India. This geographic footprint is supported by an

established network of service resource providers and vendor partners, enabling us to carry out deployment and maintenance activities on a scale. Our vendor ecosystem comprises a diversified base of contractors, equipment manufacturers, technology providers, and service partners, integrated across multiple project categories and operating regions. We have developed strategic partnerships with hardware and software OEMs, field service vendors, and logistics providers to ensure timely execution of infrastructure rollouts and continued service delivery. The breadth and depth of our vendor base provides operational flexibility, improves resource availability, and supports cost efficiency, particularly in large-scale, multi-location engagements. To maintain consistency in service quality and operational standards, we have implemented a structured vendor governance framework. This includes a performance-based evaluation and indexing system that tracks key parameters such as delivery timelines, regulatory compliance, safety adherence, and overall quality. The framework enables continuous monitoring and accountability, allowing us to identify and address execution issues proactively. Our combination of wide geographic reach and a mature vendor ecosystem gives us a competitive advantage in delivering complex, resource-intensive projects. It supports scalable execution for national initiatives such as BharatNet and other system integration programs that require multi-region coordination, policy alignment, and consistent delivery outcomes.

### Our geographical footprint across India



## 5. Strategic Partnerships with Key Customers

Our revenue model is supported by annuity business from a select group of strategically aligned customers. These long-term relationships contribute to consistent order inflows and enhance visibility for future revenues. We build these partnerships around large-scale infrastructure programs, where we provide recurring services spanning planning, deployment, and maintenance. One such long-term engagement is with a leading telecom operator in India, where we have served as a key implementation partner in expanding its fibre network across PAN India. This relationship has evolved over multiple phases, with continued project extensions into new geographies, driven by our execution performance and adherence to service-level requirements. Another strategic partnership is with a leading power corporation. The projects primarily involve the design and deployment of Unified Network Management Systems for power transmission infrastructure across the Northern, North-Eastern, and Western regions of India. Our scope includes systems integration, program execution, and enablement of network functionality across widely distributed assets. These engagements provide operational scale and create opportunities for early-stage involvement in future programs. In addition, our established relationships with key clients offer commercial advantages, including favorable payment terms, streamlined contractual processes, and preferred access to upcoming business opportunities.



## **6. *In-house Automation & Digital Transformation Tools***

We have adopted a structured approach to digital transformation aimed at improving efficiency, transparency, and control across our operations. Recognizing the increasing importance of automation and digitization in driving project execution and governance, we have developed and deployed a suite of technology platforms that support key functions across the delivery lifecycle. Our digital tools include workflow automation systems that enhance traceability and accountability, along with data capture solutions that ensure accuracy and consistency across project stages. These systems reduce manual dependencies, streamline reporting, and support timely decision-making. We also deploy project-specific applications to manage areas such as communication tracking, node configuration, and fleet operations. In addition, we use AI-enabled visualization tools to monitor operations in real time and generate actionable insights for our management teams. Many of these platforms have been developed in-house, providing us with greater flexibility, faster adaptability to evolving project requirements, and improved cost control. Our proprietary tools, such as our Field Force application, Partner Governance Portal, Document Management System, and Customer Relationship Management Portal, form the core of our digital execution model. These platforms are integrated under our "Delivery Excellence through Digital Transformation" framework, which guides the digital enablement of our project delivery processes. Through this approach, we aim to enhance execution quality, increase responsiveness, and ensure consistency in service delivery across all engagements.

## **7. *Our Expert Management Team***

We are guided by a highly experienced Board of Directors, comprising individuals with deep domain knowledge and extensive leadership experience in the global IT services and digital infrastructure sectors. Their strategic oversight supports the development and implementation of policies and processes that reinforce high standards of governance, operational discipline, and ethical conduct. Our Board plays a central role in shaping our strategic direction, enabling us to identify, evaluate, and pursue opportunities across emerging markets and evolving technology segments. Their market insight and leadership have contributed to our ability to expand into new geographies, address complex client requirements, and strengthen our position in the digital infrastructure ecosystem. In addition to governance responsibilities, the Board provides active mentorship to the executive leadership team. This includes guidance on innovation, risk management, and organizational development, ensuring that our long-term vision remains aligned with stakeholder expectations and market realities. Through this leadership framework, we maintain agility in a rapidly changing digital landscape while staying focused on delivering sustainable growth, enhancing value for customers and partners, and contributing to the broader communities in which we operate.

## **Our Strategies**

### **1. *A Revamped Sales strategy to expand our business in India, UK as well as in Global markets:***

We have realigned our sales strategy to drive growth in order bookings across our core service areas, including System Integration (Network, Data Center, Cloud & Cybersecurity), state-of-the-art connectivity services (Fibre deployment & wireless), Managed Services, and digital solutions (including AI). Our portfolio spans the design, implementation, management and transformation of complex digital infrastructure across sectors such as Telecom, Government, Defence, Citizen networks, and large enterprises (including not limited to BFSI, Education, Mining, Energy, Transport and Healthcare). With expertise in deploying high-capacity fiber networks, building and integrating data centers, and delivering scalable cloud and network solutions, we are positioned to address the increasing demand for digital transformation across both public and private sectors. To enhance sales effectiveness and improve market coverage, we are transitioning to a Key Account Management (KAM) framework that prioritizes deeper customer engagement, capability alignment with emerging opportunities, and a performance-based incentive structure to drive execution.

The Indian telecom services sector is projected to grow at a CAGR of 6%–8% between FY2025 and FY2030 (source: CRISIL), supported by increased investments from both public sector institutions and private operators in ICT infrastructure. To address these opportunities, we are aligning our sales framework to enhance market coverage and deepen customer engagement through a structured Key Account Management (KAM) model. This approach is designed to improve sales accountability, strengthen alignment with emerging customer segments, and implement a performance-based incentive framework for increased sales effectiveness.

As part of our focus on core strengths and expansion into high-growth domains, we are enhancing our

strategic emphasis on Fibre and Managed Services, while building incremental capabilities in Data Center services, Cloud solutions, Cybersecurity, and digital solutions including Artificial Intelligence (AI). This is aimed at addressing evolving customer requirements and positioning us as a full-stack digital infrastructure solutions provider. Our AI strategy is focused on the development of intelligent automation tools, predictive analytics models, and service delivery platforms that leverage AI to improve operational efficiency and support differentiated service outcomes. Through this, we aim to integrate AI capabilities into core offerings and deliver enhanced value to customers across industries.

In support of our long-term growth objectives, we are actively evaluating opportunities for international expansion. This includes identifying high-potential global markets with strong demand for digital infrastructure and IT services, establishing regional delivery models, and forming strategic partnerships or alliances to accelerate market entry. Our international strategy is anchored in our existing competencies in system integration, managed services, and fibre network deployment, with a focus on compliance with local regulatory frameworks and operational requirements.

Alongside our global expansion efforts, we are committed to integrating emerging technologies across our delivery portfolio. AI, in particular, is expected to transform IT infrastructure and services by enabling predictive maintenance, automated network optimization, and intelligent decision-support systems. By embedding AI-driven capabilities into our solutions, we seek to enhance performance visibility, reduce operational risk, and support clients in achieving agile, scalable, and resilient operations.

Through this integrated approach, combining strategic sales transformation, technology enablement, service diversification, and international expansion, we aim to strengthen our market positioning and deliver long-term, sustainable growth.

## **2. *Focus on High-Growth Digital Infrastructure Segments: Data Centers, Cloud, and Cybersecurity***

We offer Data Center, Cloud, and Cybersecurity services as an integral part of our digital infrastructure portfolio. With experience deploying over 45 data centers across India, primarily for public sector enterprises and defence organizations, we have developed strong capabilities in the design, build, and operational management of critical infrastructure. Leveraging this track record, we are well-positioned to address the growing demand across both the data center and cybersecurity segments. According to CRISIL, the Indian cybersecurity market was valued at USD 6.06 billion in 2023, having grown at a CAGR of 32.3% between 2019 and 2023. With increasing adoption of AI, IoT, and cloud services, cybersecurity has become a critical component of enterprise and public sector IT strategy. We bring expertise in integrating heterogeneous systems and securing them through multi-layered cybersecurity frameworks. To strengthen our capabilities in this space, we are focused on continuous upskilling and building strategic partnerships with leading OEMs. The Indian cloud services market has also expanded rapidly, growing at a CAGR of 41.5% between FY2020 and FY2025. As per CRISIL estimates, the market is projected to continue growing at a CAGR of 23–25% through FY2030, reaching a size of USD 32-35 billion. In parallel, the data center market is expected to grow at a CAGR of 18–19% to reach USD 3-2.5 billion by FY2030, supported by large-scale investments and enabling policy initiatives. We aim to position our cloud, cybersecurity, and data center offerings, backed by our execution experience in large-scale system integration programs, as core components of our solutions stack. By focusing on these high-growth areas, we seek to strengthen our market presence, expand our relevance across customer segments, and contribute meaningfully to our long-term business growth.

## **3. *Strategic entry into growing sectors like health, education, mining and energy & BFSI***

We have strategically expanded our service portfolio by entering high-growth sectors such as healthcare, education, and BFSI. These sectors represent significant digital transformation potential and align with our system integration and infrastructure capabilities. In the healthcare domain, we are executing the Health Management Information System (HMIS) project for approximately 250 hospitals across Mumbai. This engagement involves the deployment of HMIS software, cloud infrastructure, SD-WAN, system security, and hardware across the healthcare sites. This initiative marks a significant step in our entry into the healthcare IT sector, which, according to IMARC, is expected to grow at a CAGR of 20.52% through 2033, reaching a projected market size of USD 93 billion, up from USD 16 billion in 2023. In the education and research sector, we are collaborating with an autonomous scientific society under Ministry of Electronics and Information Technology to design and deploy data centers, disaster recovery infrastructure, and connectivity for approximately 200 remote user nodes. We delivered this program in line with the client's delivery timelines, demonstrating our ability to meet complex integration requirements in critical sectors. In the mining and energy sector, we are engaged with one of India's leading companies to deploy an underground

Wi-Fi network in one of the country's largest zinc and lead mines. In addition to deployment, we are also responsible for operations and maintenance to address real-time on-site issues. This project underscores our ability to implement resilient and scalable infrastructure in challenging industrial environments. We have also taken steps to establish our presence in the BFSI sector, which constitutes the largest segment within the Indian IT services market. While recent inroads are still at an early stage, we are committed to deepening our engagement in this domain by leveraging our strengths in network integration, cybersecurity, and managed services.

To support our expansion into these verticals, we have undertaken several key initiatives:

- *Leveraging Digital and Automation Technologies:* We are streamlining internal bidding and proposal processes using digital tools and automation, aimed at increasing bid participation and improving win rates in high-value tenders.
- *Building Strategic OEM Partnerships:* We are aligning with key ICT OEMs to co-develop and deliver integrated infrastructure solutions, enhancing our value proposition and expanding the scope of our service offerings. *Investing in*
- *Team Upskilling:* We continue to invest in workforce development to ensure our teams remain current with emerging technologies and can deliver innovative, cost-efficient solutions across projects.
- *Establishing Consortium-Based Delivery Models:* We are working with industry leaders to jointly address large, multi-stakeholder programs, especially in defence, telecom, and public sector verticals.

These initiatives are aligned with our objective of scaling presence in underpenetrated but high-growth verticals, reinforcing our positioning as a system integration partner of choice across sectors.

#### **4. *Leveraging our position as a digital infrastructure and IT services leader for BharatNet and other Government initiatives***

We play an active role in supporting key Government of India initiatives aimed at expanding digital connectivity to rural and remote regions. As part of the BharatNet program, we have demonstrated our capabilities as a leading provider of fibre connectivity services by successfully delivering broadband infrastructure to over 12,000 Gram Panchayats across Maharashtra, Telangana, and Tamil Nadu. Building on this delivery record, we secured an Advance Purchase Order and executed a definitive agreement with Bharat Sanchar Nigam Limited on 11.06.2025 to provide connectivity to Gram Panchayats in Jammu & Kashmir under BharatNet Phase III. This engagement further reinforces our position as a trusted implementation partner for national digital infrastructure programs. According to CRISIL, a tender worth ₹650 billion was announced in February 2024 under BharatNet Phase III, significantly expanding the addressable market for fibre rollout services in India. To address opportunities emerging from this expansion, we are strengthening our ecosystem through strategic partnerships with OEMs, vendors, and service delivery partners. Our execution capabilities are supported by a combination of long-standing industry relationships, proprietary automation platforms, and a mature project delivery framework. This covers the entire lifecycle of large infrastructure programs, from initial design and planning to regulatory coordination, deployment, and operational handover. Through this integrated approach, we remain focused on delivering scalable, secure, and future-ready digital infrastructure that aligns with the government's connectivity and inclusion objectives.

#### **5. *Driving Excellence through refined execution models***

With our extensive delivery experience, we have progressively evolved our execution models to ensure timely achievement of business objectives and strategic priorities. Our operational framework is built around core principles that emphasize delivery efficiency, cost control, and financial alignment with approved business cases, specifically with regard to margin realization and cash flow management. A key element of our approach is the "First-Time-Right" execution methodology, which prioritizes quality assurance and on-schedule completion. This methodology reduces the need for rework, mitigates the risk of penalties associated with project delays, and contributes positively to financial outcomes by preserving margins and protecting customer commitments. We maintain a structured and conservative procurement strategy that ensures alignment between material procurement schedules and on-site consumption requirements. We exercise rigorous judgment in evaluating procurement timelines to avoid cash outflows stemming from early purchases, including costs related to interest charges, warranty expirations, or inventory holding risks. Our partnerships with key OEMs support this approach by providing us with cost efficiencies, improved delivery coordination, and access to favorable commercial terms. To ensure financial performance remains in line

with project expectations, we strictly adhere to execution models that incorporate robust documentation, compliance with contract terms, and disciplined billing practices. These practices enhance the predictability of financial outcomes and strengthen governance across our engagements. By embedding these operational controls and financial safeguards into our delivery processes, we are able to meet external customer expectations while concurrently achieving internal business targets. This dual focus reinforces our positioning as a reliable and financially disciplined system integration partner.

## 6. *Expanding market share and deepening engagement in the UK*

Our strategy for the UK, is focused on driving revenue and profitability by expanding our market share and deepening customer engagement across identified growth segments. This approach is informed by ongoing market analysis, which highlights several emerging trends, including increased momentum in BDUK-funded initiatives, rising demand for turnkey service delivery, and the growing relevance of IoT and enterprise connectivity solutions. Through our customer insights and market segmentation, we have identified key demand drivers based on geography, building program maturity, and funding reliability. At the same time, we have mapped operational pain points across the customer base, such as delays in building execution and the absence of integrated, specialized services. Based on these inputs, we have prioritized the B2C segment, with a particular focus on rural broadband networks with long-term infrastructure requirements. We plan to expand our participation in provisioning and maintenance services and to drive upselling through the bundling of multiple offerings into turnkey solutions.

To execute this strategy, we have outlined several targeted initiatives:

- Expanding our participation in the BDUK program to increase addressable market share.
- Reinforcing our differentiated value proposition in turnkey network deployment.
- Offering tailored IoT infrastructure solutions, including low-voltage connectivity designs.
- Partnering with cost-effective polling and deployment partners to improve delivery economics.

Our go-to-market approach will be supported by a focused content marketing strategy designed to communicate our brand positioning and mission. We also plan to leverage customer data and behavioral insights to drive upselling and cross-selling initiatives. Progress will be monitored through a defined set of key performance indicators (KPIs), including Customer growth metrics: new customer acquisition, churn rates, and market share penetration; Revenue and profitability metrics: overall revenue and EBITDA contribution; Operational performance metrics: safety, delivery timelines, and quality adherence. This performance-led framework is designed to ensure alignment between our strategic priorities and execution outcomes, supporting sustainable growth and reinforcing our market position in FY26.

## 7. *People-Centric Approach*

Our core strength lies in the quality and commitment of our talent base. We recognize that sustainable organizational growth is directly linked to the growth and development of our employees. In line with this belief, we have adopted a people-centered strategy that focuses on aligning individual aspirations with our long-term business objectives. We have instituted structured career development frameworks that are closely integrated with each employee's personal and professional growth goals. These frameworks are designed to provide clarity on career progression while also enabling continuous skill development and role enhancement across functions. We remain equally focused on ensuring the financial well-being of our employees. Our Rewards and Recognition (R&R) programs are designed to identify and reward individuals who deliver measurable impact, drive positive change, and contribute meaningfully to our success. These programs reinforce a culture of meritocracy and foster long-term engagement. In addition to structured development and performance programs, we promote a workplace environment guided by what we refer to as "Positive DNA." This approach emphasizes trust-building, collaboration, and resilience, and plays a central role in cultivating a high-morale, performance-driven culture. By investing in our people, we continue to strengthen our organizational foundation, enhance retention, and build the leadership pipeline necessary to support future growth.

## Awards

| Sr. No. | Month/Year | Award                                                                                                     |
|---------|------------|-----------------------------------------------------------------------------------------------------------|
| 1.      | June 2024  | Procureconnect- Awards 2024- Delhi Chapter for Best Procurement Team of the Year - GAIN SKILLS 2ND NXTGEN |
| 2.      | June 2024  | 2nd NXTGEN ProcureConnect Confex & Awards 2024                                                            |
| 3.      | April 2024 | Most Valuable Corporate Business Partner                                                                  |

|     |                |                                                                                        |
|-----|----------------|----------------------------------------------------------------------------------------|
| 4.  | December 2023  | Global Safety Services HSE Award                                                       |
| 5.  | December 2023  | Digital Transformance Award – Risk Governance                                          |
| 6.  | November 2023  | Outstanding Cross-Functional Collaboration – Winner                                    |
| 7.  | November 2023  | Excellence in Use of Technology – Winner                                               |
| 8.  | November 2023  | Excellence in Risk Mitigation                                                          |
| 9.  | November 2023  | Outstanding Procurement Future Leader – Winner                                         |
| 10. | November 2023  | Excellence in People Development                                                       |
| 11. | September 2023 | Indian Chamber of Commerce (ICC) – Gold Award                                          |
| 12. | September 2023 | Exceed Award – Gold                                                                    |
| 13. | August 2023    | World Safety Organization – Occupational Health, Safety & Environment (OHSE) Award     |
| 14. | March 2023     | CMMI 2.0 Level 5 (with SAM) Certification for Services                                 |
| 15. | March 2023     | Cisco – MSI Partner of the Year                                                        |
| 16. | February 2023  | BBS Business Leader Award                                                              |
| 17. | February 2023  | BBS Safety Award                                                                       |
| 18. | November 2022  | Transformance Award                                                                    |
| 19. | October 2022   | Confederation of Indian Industry (CII) – DX Award                                      |
| 20. | September 2022 | Indian Chamber of Commerce – Gold Award                                                |
| 21. | September 2022 | Apex India Safety Award – Gold                                                         |
| 22. | July 2022      | Grow Care India – Occupational Health and Safety Gold Award                            |
| 23. | February 2022  | Sustainable Development Foundation – Occupational Health, Safety & Security Gold Award |
| 24. | January 2021   | BBS Safety Award                                                                       |
| 25. | January 2021   | BBS Safety Award                                                                       |
| 26. | March 2020     | British Safety Council – International Safety Award                                    |

## Intellectual Properties

**Trademark:** We have filed Trademark application for the word mark “Invenia” in Classes 35, 37, 38 and 42. The applications have been approved unopposed by the Trademark Registry application for Classes 35, 37 and 38 have been published in the Trademark Journal. Application for Class 42 has been approved by the Trademark Registry on May 2, 2025, after a brief hearing and has been published in the Trademark Journal.

**Copyright:** We have filed an application for copyright registration for its logo and tagline. The Registrar of Copyrights has granted copyright registration vide registration no. A-156860/2024 dated December 20, 2024.

**Patents:** A total of 48 patents relating to the Demerged Undertaking will be transferred to our Company and wherever required, appropriate arrangements will be entered into to effectuate such transfer.

## Insurance

Our Company has obtained the directors’ and officers’ insurance policy, comprehensive general liability insurance, group medical insurance policy, group personal accident policy, HR insurance policy and group term life insurance policy. The sum insured under the aforementioned policies is appropriate and adequate for the nature and scale of the operations undertaken by our Company.

## Properties

Our Registered Office is located at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra, India, and our Corporate Office is located at Capital Cyberscape, 15<sup>th</sup> and 16<sup>th</sup> Floor, Sector - 59, Gurugram, Haryana, 122102. The property is occupied by us, pursuant to a leasehold dated November 29, 2021.

Additionally, our Company has the following properties on a leasehold basis:

| Sr. No. | State      | Location  | Location address                                                                                                                    |
|---------|------------|-----------|-------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Gujarat    | Ahmedabad | 21st Floor, D Block, 21st Floor, D Block, West Gate By True Value, Near YMCA Club, SG Highway, Makarba, Ahmedabad, 380051           |
| 2.      | Karnataka  | Bangalore | # 703, 3rd Floor, 22nd Main Road, 2nd Sector, HSR Layout, Garden Layout Bangalore, Karnataka - 560102                               |
| 3.      | Tamil Nadu | Chennai   | 3rd, Floor, MS Centre, 459, 1, Anna Salai, Seethammal Extension, Teynampet, Chennai- 600018 Tamil Nadu                              |
| 4.      | Assam      | Guwahati  | Office Tribe Co-Working Spaces, Unit No. J-3, 3rd Floor, Supreme Tower, Block D, Christian Basti, G.S Road, Guwahati- 781005, Assam |

|     |                  |             |                                                                                                                                           |
|-----|------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| 5.  | Uttar Pradesh    | Lucknow     | C/O - Neohub Spaces Private Limited, Bhavya Corporate Tower, Vibhuti Khand, Gomti Nagar, Lucknow, 226010                                  |
| 6.  | Uttar Pradesh    | Noida       | Supreme Coworking, Plot No. D2,2nd Floor, Sector 2 Noida, Uttar Pradesh                                                                   |
| 7.  | Maharashtra      | Pune        | Downtown City Vista, Fountain Road, 4th Floor, A-Wing, Office No-01C, Kharadi-411014                                                      |
| 8.  | Rajasthan        | Jaipur      | Room No.207, 2nd Floor, Gandhi Path, Vaishali Nagar, Jaipur, Rajasthan                                                                    |
| 9.  | Maharashtra      | Nagpur      | Salasar Park, Block No. 101, 1st Floor, Plot No-G-121/1, Gorepeth Road, Dharampeth, Nagpur, Maharashtra-440010                            |
| 10. | Jammu & Srinagar | Jammu       | 86/1 Budhal House Trikutta Nagar Jammu 190021                                                                                             |
| 11. | Jammu & Srinagar | Srinagar    | Lake City Plaza,Karan Nagar Srinagar 190010                                                                                               |
| 12. | Madhya Pradesh   | Bhopal      | Unit No. 209 Iind Floor C-21, Corporate Zone Capital Mall Hoshangabad Road Misrod Bhopal Pin - 462026                                     |
| 13. | Telangana        | Hyderabad   | Level 1, Block 2, Cyber Pearl It Park, Hitech City, Madhapur, Hyderabad, Tg-500034                                                        |
| 14. | Telangana        | Nalgonda    | Central City,2nd Floor, Clock Tower Center, Hyderabad Road Nalgonda-508001                                                                |
| 15. | Telangana        | Nirmal      | 7-2-99, Opp Rural Police Station, Professor Jayashankar Junction, NH 44 Road, Nirmal -504106                                              |
| 16. | Odisha           | Bhubaneswar | SRB Tower, ST 12 & ST 17, 1st & 2nd Floor, E-12 Infocity, Patia, Bhubaneswar, Khordha Odisha – 751024                                     |
| 17. | Kerala           | Kochi       | Collective Coworks (Coco), Grand Central By Group Mukkadan, 9/483, Opposite Infopark - Smart City Road, Edachira, Kakkanad, Kerala 682030 |

## Marketing

Following the strategic demerger, Invenia has embarked on a focused digital-first journey to establish a distinct brand identity and accelerate customer engagement across modern platforms.

*Launch of a state-of-the-art Website:* We launched a new corporate website built on a secure and scalable architecture, featuring a modern UI/UX framework. The platform serves as the central digital interface for customers, partners, investors, and potential talent. It provides structured visibility into our capabilities, leadership, solutions, and organizational values, positioning Invenia as a trusted partner in digital infrastructure and IT services.

*Strengthened LinkedIn Presence:* We also strengthened our digital presence by activating Invenia's official LinkedIn page. This channel functions as a centralized communication and engagement hub, offering curated content that reflects our brand voice, solution expertise, and organizational priorities. It supports outreach to enterprise customers, technology partners, and the wider industry ecosystem.

*Deployment of Next-Gen CRM & Lead Generation Tools:* To enable efficient customer acquisition and engagement, we deployed a lean CRM and lead generation stack. The tools support targeted prospecting, structured lead management, and accelerated sales conversion by enabling segmentation, engagement tracking, and integrated outreach.

These digital initiatives have laid a strong operational foundation for brand visibility, stakeholder engagement, and market presence in a competitive and fast-evolving digital environment.

## Sales and Distribution

Our sales engine is built on strong collaboration with strategic customers and partnerships within select consortiums. Guided by in-depth market intelligence and a focused Key Account Management (KAM) framework, we develop tailored value propositions aligned with customer priorities and emerging sectoral opportunities. Our bidding function works in close coordination with technical and delivery teams to formulate customized, competitive responses, ensuring alignment with organizational objectives and business case viability.

Our go-to-market model is structured around three strategic pillars: deepen, expand, and win. We aim to deepen value generation within existing accounts through extended service offerings, expand our presence via strategic alliances and OEM partnerships, and target new customer segments with high growth potential. Recognizing the opportunity in State Data Centre (SDC) programs, we are customizing integrated solutions to address their specific

infrastructure and compliance needs.

Additionally, we are actively pursuing growth in high-impact verticals such as Education, Railways, BFSI, and Energy. These sectors present opportunities for sector-specific digital transformation, which we are addressing through customized system integration, managed services, and cloud infrastructure solutions.

Our operations span across multiple project sites in India and the United Kingdom, supported by a centralized corporate office in Gurgaon. Our on-site and remote teams are structured to ensure consistent delivery while maintaining alignment with customer expectations and internal performance standards. To improve customer proximity and engagement, we have reorganized our sales function into a region-based structure. This realignment supports deeper account-level engagement and strengthens our positioning in the Digital Infrastructure and IT Services market. The model enables scalable, customer-focused growth while maintaining delivery discipline. We apply distinct execution models depending on the nature of the project. For procurement-intensive system integration projects, we engage in strategic partnerships with OEMs to ensure timely delivery, technical compatibility, and cost efficiency. For fibre connectivity rollouts, we adopt a multi-vendor model governed by in-house digital tools and a performance-based indexing system, enabling supply chain visibility and quality assurance. In managed services, we follow SLA-based contracting, assigning end-to-end delivery responsibilities to partners with clear incentives, and penalties, based on performance against defined service metrics. This integrated model allows us to respond effectively to market needs while maintaining operational control and financial discipline across engagements.

## Market Size

India's digital infrastructure ecosystem is undergoing accelerated expansion, with multiple segments demonstrating strong and sustained growth trajectories. The optical fibre design and deployment industry, valued at USD 1 billion in FY25, is projected to grow at a CAGR of 10–11% to reach USD 1.5–1.8 billion by FY30. This growth is primarily driven by large-scale public initiatives such as BharatNet and the National Broadband Mission, which continue to advance rural and last-mile connectivity. The data center industry, currently valued at USD 1.3 billion in FY25, is expected to grow at a CAGR of 18–19%, reaching USD 3.0–3.5 billion by FY30. Key growth drivers include rising enterprise data consumption, the expansion of 5G networks, and regulatory mandates for data localization. The public cloud market is also poised for significant growth, currently valued at USD 11.4 billion in FY25, it is forecast to reach USD 32–35 billion by FY30, representing a CAGR of 23–25%. This growth is underpinned by increased adoption of cloud infrastructure across public and private enterprises undergoing digital transformation. India's cybersecurity sector has gained substantial momentum, growing at a CAGR of 32.3% between 2019 and 2023, with a market valuation of USD 6.06 billion in FY23. The accelerated adoption of digital platforms, coupled with evolving threat landscapes, continues to drive demand for advanced cybersecurity frameworks. Additionally, the domestic IT services market, currently valued at USD 19.9 billion in FY25, is expected to grow at a CAGR of 6–8%, reaching between USD 27–29 billion by FY30. This growth reflects the increasing digital maturity of enterprises and continued investments in IT modernization across sectors. These trends collectively signal a national shift toward scalable, secure, and resilient digital ecosystems. With a comprehensive portfolio spanning fibre services, cloud infrastructure, cybersecurity, managed services, and digital platforms, we are well-positioned to participate in and enable this transformation. Our proven execution capabilities, customer-centric delivery approach, and alignment with national digital priorities equip us to play a pivotal role in shaping and supporting India's digital future. (*Source: CRISIL*)

## Competition

The telecommunications and IT services industry is characterized by intense competition and rapid technological evolution. The market comprises a diverse range of players, from established incumbents with deep domain expertise to new entrants leveraging technologies such as artificial intelligence (AI), cloud computing, and the Internet of Things (IoT). As customer expectations increasingly shift toward integrated, end-to-end solutions, the need for scalable execution, speed, and innovation has become central to sustained competitiveness.

Market dynamics are further shaped by pricing pressures in commoditized service segments and heightened competition to secure large-scale public and private sector contracts. In this context, success is increasingly dependent on the ability to form strategic alliances, adopt emerging technologies at pace, and maintain a skilled and agile talent base. Differentiation hinges on the consistent delivery of high-quality, reliable services combined with sector-specific expertise.

We have established a competitive advantage by diversifying into high-growth verticals such as healthcare, education, mining, and BFSI. Our ability to deliver large, complex system integration projects in these domains

has reinforced our credentials and validated our execution model. To further strengthen our positioning, we have streamlined operations through digital platforms, built strong partnerships with OEMs, and actively participated in consortium-based project delivery models.

We continue to invest in workforce development to ensure our teams remain equipped to meet evolving customer requirements and emerging technology demands. These initiatives, combined with our focus on delivering scalable, future-ready digital infrastructure, position us to compete effectively in a dynamic and increasingly demanding market environment.

### **ESG Focus**

As a responsible organization, we are deeply committed to conducting our business with the highest standards of ethics, transparency, and accountability. Our Environmental, Social, and Governance (ESG) philosophy is embedded across our operations, ensuring that every initiative aligns with our core values and contributes meaningfully to society and the environment. We focus on driving responsible and eco-conscious practices, while fostering inclusive growth for all stakeholders, including communities within our operational footprint. Our ESG strategy is powered by innovation, digital technologies, and collaborative partnerships that enable us to deliver smarter, more sustainable networks. We are actively designing and implementing holistic programs that generate multi-dimensional benefits—creating change that is scalable, replicable, and impactful. We are committed to enhancing our ESG performance by aligning with evolving regulatory expectations, global frameworks and by investing in initiatives that promote climate resilience, digital equity, and long-term stakeholder value creation. We firmly believe that sustainability is not only a moral imperative but also a strategic priority essential for building a future-ready and socially responsible enterprise.



## KEY REGULATIONS AND POLICIES

*The following description is a summary of certain sector specific laws and regulations in India that are applicable to our business. The information detailed below has been obtained from various legislations, including rules, regulations and bylaws that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

### ***The Information Technology Act, 2000 (the “IT Act”) and the rules made thereunder***

The IT Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information, (ii) facilitate electronic filing of documents and (iii) create a mechanism for the authentication of electronic documentation through electronic signatures including digital signatures. The IT Act has extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Thus, forming the policy framework under the provisions of the IT Act provides for governance of Information Technology (“IT”) and Information Technology Enabled Services (“ITES”) companies in India. To promote the growth of IT-ITES in India, the central and state governments have introduced a range of policy measures, incentives, concessions, subsidies and simplification of procedural requirements for companies operating in India.

### ***The Telecommunications Act, 2023 (“Telecommunications Act”)***

The Telecommunications Act modernizes India's telecom sector by replacing outdated laws i.e. Indian Telegraph Act, 1885 and Indian Wireless Telegraphy Act, 1933. It introduces a shift from traditional licensing to an authorization-based regime for providing telecom services, and emphasizes the assignment of spectrum primarily through auctions, with exceptions for government use, disaster response, etc. The Act enhances user protection by addressing issues like spam, cyber threats, and phishing, and empowers the Central Government to intercept or block communications during public emergencies. It also simplifies the Right of Way (RoW) process for infrastructure development and integrates provisions for cybersecurity and national security. Overall, it seeks to enable a more secure, transparent, and digitally efficient telecom ecosystem.

### ***The National Digital Communications Policy, 2018 (“NDCP”)***

The NDCP serves as a strategic framework promoting broadband expansion, fiber deployment, and hyperscale networks. The policy encourages Public-Private Partnerships (PPP) for digital infrastructure and aims to accelerate India's 5G rollout. It also emphasizes affordable and universal access to digital services, making it relevant to your telecom operations.

### ***Data Protection and Privacy Legislations***

The Digital Personal Data Protection Act, 2023 (**DPDP Act**), mandates consent-based data collection, data minimization, and security of digital personal data. The DPDP Act applies to businesses processing personal data of Indian residents, requiring them to obtain explicit consent before collecting and processing data. The DPDP Act also includes provisions on data localization, requiring certain categories of sensitive data to be stored within India.

Additionally, the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (SPDI Rules), enacted under the IT Act, 2000, establish guidelines for handling sensitive personal data. These rules mandate organizations to implement reasonable security practices, including encryption, access control, reporting data breaches and audit mechanisms. Companies engaged in cloud computing, data storage, or network security must adhere to these rules to avoid legal liabilities in case of data breaches.

### ***Compliance with Bureau of Indian Standards (BIS)***

Certification for Telecom Equipment is essential for network and telecom devices used in fiber deployment. BIS certification ensures that telecom equipment meets quality, safety, and Electromagnetic Compatibility (EMC) Standards. Telecom products without BIS certification cannot be legally sold or used in India.

### ***The E-Waste Management Rules 2022 (“E-Waste Management Rules”)***

E-Waste Management Rules apply to our Company operations since telecom and IT equipment generate electronic waste. E-Waste Management Rules mandate proper disposal and recycling of Extended Producer Responsibility (EPR), ensuring manufacturers and service providers take back end-of-life products for responsible recycling.

### ***Competition Act, 2002***

The Competition Act, 2002, as amended (the “**Competition Act**”), was enacted for the purpose of preventing practices that have or are likely to have an appreciable adverse effect on competition (“AAEC”). Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Furthermore, the Competition Act prohibits abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and liable to be punished.

The Competition (Amendment) Act, 2023 (the “**Competition Amendment Act**”) amends the Competition Act and gives the Competition Commission of India (“CCI”) additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, inter alia, modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties based on the global turnover of entities, for anti- competitive agreements and abuse of dominant position

### ***Construction and Environmental Laws***

The Environment Protection Act, 1986, governs activities that may have environmental consequences, including the deployment of large-scale fiber networks. This law requires companies to conduct Environmental Impact Assessments (EIA), wherever applicable, before undertaking major projects. Violations can lead to penalties, including project suspension and financial fines.

### ***Labour related laws***

India has extensive labour related legislations. In addition to the shops and commercial establishment legislations, applicable in the states in which establishments are set up, certain other employment related laws and regulations that may be applicable to our Company in India, including:

1. Child Labour (Prohibition and Regulation) Act, 1986.
2. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
3. The Contract Labour (Regulation and Abolition) Act, 1970.
4. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
5. The Employees' State Insurance Act, 1948.
6. The Employees Compensation Act, 1923.
7. The Equal Remuneration Act, 1976.
8. The Maternity Benefit Act, 1961.
9. The Minimum Wages Act, 1948.
10. The Payment of Bonus Act, 1965.
11. The Payment of Gratuity Act, 1972.
12. The Payment of Wages Act, 1936.
13. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
14. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.
15. The Building and Other Construction Workers' Welfare Cess Act, 1996.

### ***Intellectual Property Laws***

#### ***The Trademarks Act, 1999 (the “Trademarks Act”)***

The Trademarks Act governs the statutory protection of trademarks and prohibits any registration of deceptively

similar trademarks, among others. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label and heading, and to obtain relief in case of infringement of such marks. Indian law permits the registration of trademarks for both goods and services. Under the provisions of the Trademarks Act, an application for trademark registration may be made before the Trademark Registry by any person claiming to be the proprietor of a trademark, whether individual or joint applicants, and can be made on the basis of either actual use or intention to use a trademark in the future. Once granted, a trademark registration is valid for 10 years from the date of application unless cancelled, subsequent to which, it can be renewed. If not renewed, the mark lapses and the registration are required to be restored. Further, pursuant to the notification of the Trademarks (Amendment) Act, 2010 (**“Trademark Amendment Act”**) simultaneous protection of trademarks in India and other countries has been made available to owners of Indian and foreign trademarks. The Trademark Amendment Act also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to conform Indian trademark law to international practice.

### ***The Patents Act 1970 (the “Patents Act”)***

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, Section 39 of the Patents Act prohibits any person residing in India from applying for a patent abroad for an invention without first filing a patent application for the same invention in India, unless a written permit is obtained in the prescribed manner from the Controller. The term of a patent granted under the Patents Act pursuant to Section 53 is for a period of twenty years from the date of filing of the application for the patent. A patent shall cease to have effect if the renewal fee is not paid within the period prescribed for the payment of such renewal fee. Further, the Patents Act also provides for the recognition of product patents in respect of food, medicine and drugs; that import of patented products will not be considered as an infringement; and that under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer.

### ***The Copyright Act, 1957 (the “Copyright Act”) and the Copyright Rules, 2013 (the “Copyright Rules”)***

The Copyright Act governs copyright protection in India. The intellectual property protected under the Copyright Laws includes literary works, dramatic works, musical works, artistic works, cinematography, and sound recordings. While copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Act and Copyright Rules acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The copyright protection for a work exists for a period of 60 years following the demise of the author. Reproduction of a copyrighted work for sale or hire, issuing of copies to the public, performance, or exhibition in public, making a translation of the work, making an adaptation of the work and making a cinematograph film of the work without consent of the owner of the copyright are all acts which expressly amount to an infringement of copyright. The Copyright Act prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

### ***Foreign Investment and Trade Regulations***

#### ***Foreign Exchange Laws***

Foreign investment in India is governed by the provisions of Foreign Exchange Management Act, 1999 (**“FEMA”**) along with the rules, regulations and notifications made by the Reserve Bank of India (**“RBI”**) thereunder, and the consolidated Foreign Direct Investment (**“FDI”**) Policy (**“FDI Policy”**) (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade (**“DPIIT”**), Ministry of Commerce and Industry, Government of India from time to time. The FDI Policy consolidates all the press notes, press releases, clarifications, and circulars on FDI issued by DPIIT. Further, the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (**“FEMA Non – Debt Rules”**) and the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 regulate the mode of payment and reporting requirements for investments in India by a person resident outside India. The FEMA, the FEMA Non – Debt Rules, and the FDI Policy prescribe certain requirements with respect to downstream investments by Indian companies that are owned or controlled by foreign entities and with respect to foreign investment into India and transfer of ownership or control of Indian companies in sectors with caps on foreign investment from resident Indian persons

or entity to foreigners, as well as such transactions between foreigners. Requirements under these laws currently include restrictions on pricing, issue transfer, valuation of shares and sources of funding for such investments, and may, in certain cases, require prior notice for approval of the Government of India. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route. Under the FDI Policy, foreign investment is permitted up to 100% under the automatic route, in sectors which are not specifically listed or prohibited in the Policy, subject to applicable laws or regulations, security and other conditionalities.

### ***Foreign Trade (Development and Regulation) Act, 1992 (the “FTA”)***

The FTA seeks to provide for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India. The FTA provides that no person shall make any import or export except under an importer-exporter code number (“IEC”) granted by the Director General of Foreign Trade, Ministry of Commerce (“DGFT”). The IEC granted to any person may be suspended or cancelled inter alia in case the person contravenes any of the provisions of FTA or any rules or orders made thereunder or the DGFT or any other officer authorized by him has reason to believe that any person has made an export or import in a manner prejudicial to the trade relations of India. Any person who makes any export or import in contravention of any provision of this Act or any rules or orders made thereunder, or the foreign trade policy would become liable to a penalty under the FTA.

### ***Customs Act, 1962 (the “Customs Act”)***

The provisions of the Customs Act and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any company that wishes to import or export any goods is first required to get itself registered and obtain an IEC (Importer Exporter Code). All imports into India are subject to duties under the Customs Act, 1962 at the rates specified under the Customs Tariff Act, 1975. However, the Indian Government has the power to exempt certain specified goods from excise duty by notification.

### ***Laws Relating to Taxation***

Goods and Services Tax (“GST”) is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, the Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts viz. Central Goods and Services Act, 2017 (“CGST”), relevant state’s Goods and Services Act, 2017 (“SGST”), Union Territory Goods and Services Act, 2017 (“UTGST”), Integrated Goods and Services Act, 2017 (“IGST”), Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder.

Further, the Income-tax Act, 1961 (the “Income Tax Act”) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the Income Tax Act or rules made there under depending upon its “Residential Status” and “Type of Income” involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc. In 2019, the Government has also passed an amendment act pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies.

### ***Other applicable laws***

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, 2013 and rules framed thereunder, the Indian Contract Act, 1872, the Specific Relief Act, 1963, the Negotiable Instruments Act, 1881, the Transfer of Property Act, 1882, the Sale of Goods Act, 1930, the Prevention of Corruption Act, 1988 and the Depositories Act, 1996 each as amended from time to time, and other applicable statutes promulgated by the relevant Central and State Governments.

## OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

### Brief history of our Company

Our Company was incorporated as a public limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated March 26, 2021, issued by the Registrar of Companies, Pune. Pursuant to the Scheme of Arrangement effective from the close of business hours on March 31, 2025, the Demerged Undertaking comprising the Global Services Business of STL was demerged from STL into our Company on a going concern basis and in consideration, our Company issued Equity Shares to the shareholders of STL, in accordance with the provisions of the Scheme of Arrangement and on the basis of the share entitlement ratio set out therein.

### Changes in the registered office of our Company

The Registered Office of our Company is situated at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra, India, 411001. There has been no change of our Registered Office since its incorporation.

### Changes in the name of our Company

There has been no change in the name of our Company since incorporation.

### Key events and milestones in the history of our Company

The following table sets forth the key events and milestones in the history of Global Services Business:

| Year           | Particulars                                                                                                                                                                                |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2014           | STL Global Services Business is established                                                                                                                                                |
| July 2014      | NFS Project with the Indian Army – construction of exclusive Optical NLD backbone and Optical Access routes for defence network across Jammu & Kashmir; Invenia enters into Defence sector |
| June 2017      | Entered into Smart city projects with Kakinada Smart city                                                                                                                                  |
| January 2018   | Project Mahanet under BharatNet Phase II for empowering rural connectivity – First citizen networks project under BharatNet Phase II                                                       |
| October 2018   | Entered into system integration space with the Indian Navy – Country wide Next Generation IP MPLS Network                                                                                  |
| December 2018  | Partnership with Leading Indian telco – Partnership with private telcos begins                                                                                                             |
| June 2020      | Project under BharatNet Phase II – Telangana                                                                                                                                               |
| October 2021   | Project under BharatNet Phase II – Telangana (Phase 2)                                                                                                                                     |
| February 2021  | Partnership with a leading telco to build a modern optical fiber network PAN India.                                                                                                        |
| March 2021     | Incorporation of the Company                                                                                                                                                               |
| March 2021     | Supply of Advance Radio Frequency Monitoring Systems with Digital Decoding software along with associated accessories for defence                                                          |
| August 2021    | Unified Network Management System (U-NMS) for Central Sector and State Sector communication in north-east region, Invenia enters into Power infrastructure sector                          |
| September 2021 | Unified Network Management System (U-NMS) for Central Sector and State Sector communication in north region                                                                                |
| February 2022  | BharatNet Phase II Tamil Nadu – Project including NOC                                                                                                                                      |
| December 2022  | Operations & maintenance of user nodes across Rajasthan state                                                                                                                              |
| December 2022  | Providing and laying of Optical Fiber Cable (OFC) for Ministry of Road Transport & Highways                                                                                                |
| June 2023      | Supply and setting up of ICT Infrastructure at Data Centers and Remote Sites for an autonomous body under Government, breakthrough into Education sector                                   |
| July 2024      | Implementing HMIS, Invenia enters healthcare sector                                                                                                                                        |
| July 2024      | Unified Network Management System (U-NMS) for Central Sector and State Sector communication in West region                                                                                 |
| March 2025     | Advance Purchase Order received under BharatNet Phase III – Jammu & Kashmir                                                                                                                |
| April 2025     | Demerger, transfer and vesting of the Demerged Undertaking from Sterlite Technologies Limited.                                                                                             |
| June 2025      | Executed definitive agreement with Bharat Sanchar Nigam Limited under BharatNet Phase III – Jammu & Kashmir                                                                                |

### Main objects of our Company

The main objective of our Company, as contained in our Memorandum of Association, are as set forth below:

1. To carry on the business of system integration, laying, digging, trenching, blowing, ducting etc. and creating

optical fiber networks, providing solutions for integrating hardware, software, and network systems for clients across various industries including activities relating to purchase assistance of all materials, goods pertaining to such projects, inspecting, testing, construction, supervision, project management which includes but not limited to purchase and /or lease of vehicles, facility management, acceptance testing, securing permits, licenses, right of way evaluating, commissioning, maintenance, labor (skilled, semi-skilled and unskilled) management and deployment, training of personnel, creation of digital and training cells and any such other incidental services thereto in India and globally.

2. To provide engineering, technical and managed services in India and globally including but not limited to network management, enterprise resource planning (ERP) system, IT infrastructure support cloud services, cybersecurity, operational technology security, artificial intelligence powered system, disaster recovery, automation services, manpower resourcing solutions, management of hardware and software relating to information assets, market research, establishment of data centers, development and operations of Telecommunications, IT and ITeS and other related services of all types and description across sectors in India and globally.
3. To provide IT and ITeS across various sectors including but not limited to primary sectors like agriculture, animal husbandry, mining, forestry, secondary sectors like manufacturing, power, solar, green energy, pharma, smart system for municipalities, utilities, gas pipelines, oil & gas (upstream & downstream), chemicals & petrochemical, automobile and tertiary sectors such as education, tourism, healthcare, e-commerce, real estate, construction, defense, transportation(rail, road and waterways) including mass urban transportation, aviation, financial services (like banking, insurance and capital markets), global capability centers (GCC) and all other industries of like nature in India and globally.
4. To provide IT and ITeS including but not limited to smart energy management system, supply chain solutions, toll management system (TMS), advance traffic management system (ATMS), internet protocol multi-protocol label switching (IP MPLS), smart city project management, smart metering, surveillance system, drone system, CCTV, ICCC (Integrated Command Control Center) defence products and solutions including digital warfare system, perimeter intrusion detection system (PIDS) across sectors in India and globally.
5. To provide Artificial Intelligence enabled and/or AI powered products, solutions and services across various industries and /or sectors in India and globally.
6. To carry on the business of developing, establishing, building, operating, and managing Data Centers, including the design, construction, maintenance, and upgrading of data center infrastructure, facilities, and associated services including investing in for acquisition, leasing, and sale & purchase of real estate, land or buildings, or the development of new properties, specifically for the establishment and operation of data center(s), usage by third party/ parties on commercial terms in India and globally.
7. To provide colocation, hosting, and cloud services, including the rental of data center space, server(s), and other infrastructure to client(s) for housing their IT equipment, applications, and data including managed services not limited to network management, server management, storage solutions, disaster recovery, backup services, and cybersecurity solutions within data centers in India and globally.
8. To design, install, operate, and maintain critical infrastructure solutions such as power supply systems, cooling systems, network connectivity, and other essential facilities for the operation of data centers with focus on providing secure, scalable, and efficient IT infrastructure, energy management, cooling solutions, and other value-added services in India and globally.
9. To carry on the business of providing managed IT infrastructure services, including cloud services, data center operations, network management, and enterprise technology solutions, for businesses and organizations in India and globally.
10. To design, build, implement, operate, and manage end-to-end IT solutions, including cloud computing, virtualization, storage solutions, server management, optimizing the IT infrastructure and operations of enterprises in India and globally.
11. To provide digital services, assisting businesses in modernizing and automating their IT environments, including but not limited to the adoption and implementation of cloud technologies, automation, robotics process automation (RPA) and all such activities of similar nature in India and globally.

12. To apply and participate in tender for government, government organization(s), government instrumentalities, PSU's and / or private sector or otherwise, purchase or otherwise acquire and execute any contract(s) for or in relation to the construction, execution, improvement, management, administration or control of works / and concession(s), automation, digitization and to undertake, execute, carry out, dispose off or otherwise turn to account the same relating to all telecommunication infrastructure, digital assets, cyber infrastructure including security and all other allied services across various sectors including but not limited to primary sector like agriculture, animal husbandry, mining, forestry, secondary sector like manufacturing, power, solar, green energy, pharma, smart system for municipalities, utilities, gas pipelines, oil & gas (upstream & downstream), chemicals & petrochemical, automobile and tertiary sectors such as education, tourism, healthcare, e-commerce, real estate, construction, defence, transportation, mass transportation, aviation, railways, communication, media & entertainment, financial services (like banking, insurance and capital markets) and all other industries of like nature.
13. To develop, license, and/or sell proprietary software including all kind of applications, and platforms for various industries and sectors in India and globally.
14. To engage in import, export, lease, renting and/or trading of IT-related products, hardwares solutions and services in India and globally.
15. To act as consultants, advisors, and service providers for digital transformation, IT strategy, and technology adoption in India and globally.
16. To carry on the business of Internet Services Provider and other value added services, Set-up Telecom/ digital Infrastructure including but not limited to 2G, 3G, 4G, 5G, 6G and beyond, Broadband Networks (wired and /or wireless), FTTH, FTTX, Telecom Bandwidth buying and reselling, providing ASP's (Application Software Package) for E-Commerce B2B, B2C Application, carry out E-Commerce activities, franchise operations for Telecom / Internet Services Providers and similar activities in India and globally.
17. To carry on the business of, design & development, engineering, marketing, import and export, purchase, sales, transfer, lease, maintain, repair, operation, transmission, consultancy, management contracting, execution, technical and educational services, licensing, franchising, distribution, agency or otherwise deal in hardware & software including intellectual property, computing and processing machines, systems, processes, equipment, apparatus, appliances, and others articles whether electronic, electric, mechanical, digital, telephonic, satellite, wireless or otherwise relating to telecommunication, information technology, informatics and allied activities in India and globally.

#### **Amendments to our Memorandum of Association**

| <b>Date</b>    | <b>Particulars</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| March 21, 2025 | The total Authorized Share Capital of the Company being Rs. 5,00,000 (Rupees Five Lakh) divided into 50,000 (Fifty Thousand) Equity Shares of Rs. 10 (Rupees Ten) each, was split such that the Equity Shares having face value of Rs.10/- (Rupees Ten) were sub-divided into 5 (Five) Equity Shares of face value of Rs. 2 (Rupees Two). Accordingly, the total Authorized Share Capital of the Company was changed to Rs. 5,00,000 (Rupees Five Lakh) divided into 2,50,000 (Two Lakh Fifty Thousand) Equity Shares of Rs. 2 (Rupees Two) each. |
| March 21, 2025 | The total Authorized Share Capital of the Company being Rs. 5,00,000 (Rupees Five Lakh) divided into 2,50,000 (Two Lakh Fifty Thousand) Equity Shares of Rs. 2 (Rupees Two) each, was increased to Rs. 150,00,00,000 (Rupees One Hundred and Fifty Crores) divided into 75,00,00,000 (Seventy- Five Crores) Equity Shares of Rs. 2 (Rupees Two) each.                                                                                                                                                                                             |
| April 08, 2025 | The Company has adopted a new set of Memorandum of Association & Articles of Association at its Extra Ordinary General Meeting held on March 21, 2025. The approval from ROC for such alteration of its objects was obtained on April 08, 2025                                                                                                                                                                                                                                                                                                    |

#### **Details regarding material acquisitions or divestments of business / undertakings / mergers and amalgamations, any revaluation of assets**

Other than the Scheme, there has been no material acquisition or divestments of businesses, undertakings, mergers, amalgamations or revaluation of assets since incorporation to the date of this Information Memorandum.

#### **Shareholders' agreements**

The shareholders of our Company have not entered into any shareholders agreements as on the date of the Information Memorandum.

**Other material agreements**

The Company has not entered into any material agreement, including with any strategic partners or joint venture partners or financial partners, which is subsisting as on the date of this Information Memorandum, other than in the ordinary course of business.

**Other confirmations**

Further, there are no agreements entered into by Key Managerial Personnel or Director or Promoter or any employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings in the securities of our Company.



## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

### *Subsidiaries*

As on the date of this Information Memorandum, after the Effective Date and as a result of the Scheme, our Company has the following Subsidiaries:

1. Sterlite Technologies UK Ventures Limited
2. STL UK Holdco Limited
3. Clearcomm Group Limited

### **Details of our Subsidiaries**

#### **1. Sterlite Technologies UK Ventures Limited**

##### *Corporate Information*

Sterlite Technologies UK Ventures Limited (“STUKVL”) was incorporated as a private company under the Companies Act 2006, pursuant to a certificate of incorporation dated May 30, 2013, issued by the Registrar of Companies for England and Wales. The Company number of STUKVL is 8550019 and its registered office is situated at Unit 3 Park Lane Business Park, In Ashfield Nottingham, NG 17 9GU, United Kingdom.

##### *Nature of business*

STUKVL is engaged in the business of providing network services and solutions to telecommunication companies, governments, and large enterprises across UKs portfolio, including end-to-end turnkey FTTH design and build solutions, IoT.

##### *Capital Structure*

The authorized, issued and paid-up share capital of STUKVL is 5,000 shares of Euro 1 each.

##### *Shareholding pattern*

The shareholding pattern of STUKVL as on date of this Information Memorandum is as provided below:

| Name of the shareholder        | Number of equity shares     | Percentage of the issued and paid-up share capital (%) |
|--------------------------------|-----------------------------|--------------------------------------------------------|
| Sterlite Technologies Limited* | 5,000 shares of Euro 1 each | 100                                                    |
| <b>Total</b>                   | 5,000 shares of Euro 1 each | 100                                                    |

\* Our Company is in the process of getting the shares transferred in the name of the Company from Sterlite Technologies Limited.

#### **2. STL UK Holdco Limited**

##### *Corporate Information*

STL UK Holdco Limited (“STL UK”) was incorporated as a private company under the Companies Act 2006, pursuant to a certificate of incorporation dated May 3, 2021, issued by the Registrar of Companies for England and Wales. The Company number of STL UK is 13370973 and its registered office is situated at C/O Ballards Newman Chartered Accountants Apex House, Grand Arcade, Tally Ho Corner, London, England, N12 0EH.

##### *Nature of business*

STL UK is engaged in the business of investment holding Company.

##### *Capital Structure*

The authorized, issued and paid-up share capital of STL UK is 25,00,000 shares of GBP 1 each.

### *Shareholding pattern*

The equity shareholding pattern of STL UK as on date of this Information Memorandum is as provided below:

| Name of the shareholder        | Number of equity shares        | Percentage of the issued and paid-up share capital (%) |
|--------------------------------|--------------------------------|--------------------------------------------------------|
| Sterlite Technologies Limited* | 25,00,000 shares of GBP 1 each | 100                                                    |
| <b>Total</b>                   | 25,00,000 shares of GBP 1 each | 100                                                    |

\*Our Company is in the process of getting the shares transferred in the name of the Company from Sterlite Technologies Limited.

### **3. Clearcomm Group Limited**

#### *Corporate Information*

Clearcomm Group Limited (“CGL”) was incorporated as a private company under the Companies Act 1985, pursuant to a certificate of incorporation dated June 17, 2009, issued by the Registrar of Companies for England and Wales. The company number of CGL is 06936153 and its registered office is situated at Unit 3 Park Lane Business Park, In Ashfield Nottingham, NG 17 9GU, United Kingdom.

#### *Nature of business*

CGL is engaged in the business of Fiber to the Home (“FTTH”) rollout.

#### *Capital Structure*

The authorized, issued and paid-up share capital of CGL is 1,120 ordinary shares of 0.10 GBP each.

#### *Shareholding pattern*

The shareholding pattern of CGL as on date of this Information Memorandum is as provided below:

| Name of the shareholder | Number of equity shares                | Percentage of the issued and paid-up share capital (%) |
|-------------------------|----------------------------------------|--------------------------------------------------------|
| STL UK Holdco Limited   | 1,120 ordinary shares of GBP 0.10 each | 100                                                    |
| <b>Total</b>            | 1,120 ordinary shares of GBP 0.10 each | 100                                                    |

#### **Accumulated profits or losses**

As on the date of this Information Memorandum, there are no accumulated profits or losses of any of our Subsidiaries that have not been accounted for by our Company.

#### **Business interest of our Subsidiaries in our Company**

Except for any related party transactions as stated in “*Financial Statements*” beginning on page 152, or in the ordinary course of business, our Subsidiaries do not have any business interest in the Company.

#### **Common Pursuits between our Subsidiaries and the Company**

Except for STL UK, our Subsidiaries are engaged in the similar line of business as that of our Company and accordingly, there are certain common pursuits amongst our Subsidiaries and the Company. However, we do not perceive any conflict of interest in this regard given our majority shareholding and interest in these entities. We shall adopt necessary procedures and practices as permitted by law and regulatory guidelines to address any instances of conflict of interest, if any.

For details of related business transactions between our Company and our Subsidiaries, see “*Financial Statements*” beginning on page 152.

#### **Confirmations**

None of our Subsidiaries are listed on any stock exchange in India or abroad.

### ***Associates***

As on the date of this Information Memorandum, our Company does not have any associates.

### ***Joint Venture***

As on the date of this Information Memorandum, our Company has a joint venture with Sterlite Condu spar Industries Ltda. (Brazil).

#### **1. Sterlite Condu spar Industrial Ltda. (Brazil)\***

##### ***Corporate Information***

Sterlite Condu spar Industrial Ltda. (Brazil) (“**SCIL**”) was incorporated as limited liability company under the laws of the Federative Republic of Brazil, pursuant to a certificate of incorporation dated March 13, 2013, issued by the Federative Republic of Brazil. The registration number of SCIL is 41207560963 and its registered office is situated at Rua Doutor Muricy, 4000, Barracão dos Fundos, Bairro Costeira, CEP (ZIP code) 83015-290, São José dos Pinhais, Estado do Paraná.

##### ***Nature of business***

SCIL is engaged in the business of manufacture of insulated electrical wires, cables and conductors.

##### ***Capital Structure***

50:50 Joint Venture between Sterlite Technologies UK Ventures Limited (wholly owned subsidiary of Sterlite Technologies Limited) and Condu spar Condutores Eletricos Limited.

##### ***Shareholding pattern***

The shareholding pattern of SCIL as on date of this Information Memorandum is as provided below:

| <b>Name of the shareholder</b>                                                                       | <b>Number of equity shares</b>                              | <b>Percentage of the issued and paid-up share capital (%)</b> |
|------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------|
| Sterlite Technologies UK Ventures Limited (wholly owned subsidiary of Sterlite Technologies Limited) | Detained quotas: 7,439,393<br>Nominal Value: 7,439,393.00   | 50                                                            |
| Condu spar Condutores Eletricos Limited                                                              | Detained quotas: 7,439,393<br>Nominal Value: 7,439,393.00   | 50                                                            |
| <b>Total</b>                                                                                         | Detained quotas: 14,878,786<br>Nominal Value: 14,878,786.00 | 100                                                           |

*\*SCIL is under liquidation.*

## OUR MANAGEMENT

### Board of Directors

As per our Articles of Association, our Company is required to have not less than 3 and not more than 15 Directors. As on the date of this Information Memorandum, our Board comprises of 6 Directors, out of which 3 are Independent Directors (including one woman Director). The composition of the Board of Directors is in compliance with the provisions of Companies Act, 2013 and the SEBI Listing Regulations.

The following table sets forth details regarding our Board of Directors as on the date of Information Memorandum:

| Sr. No. | Name, designation, address, occupation, nationality, period and DIN                                                                                                                                                                                                                                                                                                                                                       | Age (years) | Other directorships                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | <p><b>Pravin Agarwal*</b></p> <p><b>Designation:</b> Chairman and Non-Executive Director</p> <p><b>Address:</b> 117, North Main Road, Lane No. 4, Koregaon Park, Pune City, Pune 411 001, Maharashtra</p> <p><b>Occupation:</b> Service</p> <p><b>Date of birth:</b> October 16, 1954</p> <p><b>Period and term:</b> Appointed on May 16, 2025*</p> <p><b>DIN:</b> 00022096</p>                                           | 70          | <p><i>Indian Companies:</i></p> <ul style="list-style-type: none"> <li>• Sterlite Technologies Limited</li> <li>• Sterlite Electric Limited</li> <li>• Twin Star Display Technologies Limited</li> <li>• Anupamjeevan Foundation</li> <li>• Sterlite Tech Cables Solutions Limited</li> </ul> <p><i>Foreign Companies:</i></p> <p>Nil</p>                                                                                                                                                              |
| 2.      | <p><b>Ankit Agarwal</b></p> <p><b>Designation:</b> Vice-Chairman and Non-Executive Director</p> <p><b>Address:</b> 117, North Main Road, Lane No. 4, Koregaon Park, Pune 411 001, Maharashtra</p> <p><b>Occupation:</b> Service</p> <p><b>Date of birth:</b> December 1, 1983</p> <p><b>Period and term:</b> Appointed on March 26, 2021, designated as Vice Chairman w.e.f. May 16, 2025</p> <p><b>DIN:</b> 03344202</p> | 41          | <p><i>Indian Companies:</i></p> <ul style="list-style-type: none"> <li>• Sterlite Technologies Limited</li> <li>• Twin Star Display Technologies Limited</li> <li>• STL Digital Limited</li> <li>• Sterlite Tech Cables Solutions Limited</li> <li>• Speedon Network Limited</li> </ul> <p><i>Foreign Companies:</i></p> <ul style="list-style-type: none"> <li>• Sterlite Global Ventures (Mauritius) Ltd.</li> <li>• STL Digital Inc., USA</li> <li>• PT Sterlite Technologies, Indonesia</li> </ul> |
| 3.      | <p><b>Pankaj Malik*</b></p> <p><b>Designation:</b> Chief Executive Officer and Whole-Time Director</p> <p><b>Address:</b> TNB - 191, Near Horizon Center, Trinity Tower DLF Phase - 5, Chakarpur (74), Chakarpur, Gurgaon, Haryana, 122002</p> <p><b>Occupation:</b> Service</p> <p><b>Date of birth:</b> August 27, 1973</p> <p><b>Period and term:</b> Appointed as Chief</p>                                           | 51          | <p><i>Indian Companies:</i></p> <ul style="list-style-type: none"> <li>• Speedon Network Limited</li> </ul> <p><i>Foreign Companies:</i></p> <ul style="list-style-type: none"> <li>• STL UK Holdco Limited</li> <li>• Sterlite Technologies UK Ventures Limited</li> <li>• Clearcomm Group Limited</li> </ul>                                                                                                                                                                                         |

|    |                                                                                                                                                                                                                                                                                                                                                                                                         |    |                                                                                                                                                                                                                                                                                                                                              |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | Executive Officer and Whole Time Director on May 16, 2025 for a period of 5 (five) years*<br><br><b>DIN:</b> 10949402                                                                                                                                                                                                                                                                                   |    |                                                                                                                                                                                                                                                                                                                                              |
| 4. | <b>Dindyal Jalan*</b><br><br><b>Designation:</b> Non-Executive Independent Director<br><br><b>Address:</b> 807/808, Ashok Tower-D, 63-74 Dr S S Rao Road, Parel, Mumbai, Maharashtra 400012<br><br><b>Occupation:</b> Professional<br><br><b>Date of birth:</b> September 29, 1956<br><br><b>Period and term:</b> Appointed on May 16, 2025, for a period of 2 (two) years*<br><br><b>DIN:</b> 00006882 | 68 | <b>Indian Companies:</b> <ul style="list-style-type: none"> <li>• Vedanta Limited</li> <li>• HDFC Trustee Company Limited</li> <li>• Swaranand Foundation</li> </ul> <b>Foreign Companies:</b> <ul style="list-style-type: none"> <li>• Cairn India Holdings Limited</li> </ul>                                                              |
| 5. | <b>Kumud Madhok Srinivasan*</b><br><br><b>Designation:</b> Non-Executive Independent Director<br><br><b>Address:</b> 785 E Windmere Drive, Phoenix, AZ United States - 850486355<br><br><b>Occupation:</b> Professional<br><br><b>Date of birth:</b> February 07, 1960<br><br><b>Period and term:</b> Appointed on May 16, 2025 for a period of 2 (two) years*<br><br><b>DIN:</b> 06487248              | 65 | <b>Indian Companies:</b><br>Nil<br><br><b>Foreign Companies:</b><br>Nil                                                                                                                                                                                                                                                                      |
| 6. | <b>Bangalore Jayaram Arun*</b><br><br><b>Designation:</b> Non-Executive Independent Director<br><br><b>Address:</b> 202, Purva Grande, 49 Lavelle Road, Bangalore- 560001<br><br><b>Occupation:</b> Professional<br><br><b>Date of birth:</b> December 17, 1962<br><br><b>Period and term:</b> Appointed on May 16, 2025, for a period of 2 (two) years*<br><br><b>DIN:</b> 02497125                    | 62 | <b>Indian Companies:</b> <ul style="list-style-type: none"> <li>• Sterlite Technologies Limited</li> <li>• Handyman Marketplace Private Limited</li> <li>• Luxe Haus Private Limited</li> </ul> <b>Foreign Companies:</b> <ul style="list-style-type: none"> <li>• Sterlite Tech Holding Inc</li> <li>• Sterlite Technologies Inc</li> </ul> |

\*Appointment subject to approval of the shareholders of the Company.

#### Brief profile of our Directors

**Mr. Pravin Agarwal** is the Chairman and Non-Executive Director of the Company, Vice Chairman and Whole-

Time Director of Sterlite Technologies Limited and the Non-Executive Chairman of Sterlite Electric Limited. He has been closely involved with Sterlite Group's operations in India since its inception in 1979. He has been the driving force behind the expansion of Sterlite Group's telecom and power businesses into multiple markets and Group's continued growth momentum. He is an astute businessman and a leader with almost four decades of experience.

**Mr. Ankit Agarwal** is the Vice-Chairman and Non-Executive Director of the Company and is a believer in purpose-led organisations. Ankit has been leading STL's growth journey as it transforms billions of lives by connecting the world. Over his past 14 years at STL, Ankit has been a change agent within the Company and a driving force towards connecting the unconnected across the globe. He is the force behind STL's dramatic global expansion, customer-first ethos, R&D focus and strategic joint ventures & acquisitions. He has strengthened STL's presence in India, USA, UK, Italy, China and Brazil. He holds sustainability very close to his heart and is leading STL's ambitious Net-Zero by 2030 target, from the front. Ankit is extremely passionate about improvement in health, education and the environment through digital inclusion in India. Recognised as a 40 under 40 leader, Ankit is a strong supporter of young and entrepreneurial talent. He is a fitness enthusiast, an athlete, and a long-distance runner and encourages his teams and young people to work towards solid all-round growth at work and in life. Prior to STL, Ankit was building Vedanta's corporate portfolio while overseeing multiple M&As, including the \$8.6 billion acquisition of Cairn India. Ankit holds a Bachelor's degree from the University of Southern California and an MBA degree from London Business School.

**Mr. Pankaj Malik** is the Chief Executive Officer and Whole Time Director of the Company and is a dynamic leader with 27+ years of experience in strategic operations, digital transformations, and stakeholder management, particularly within the telecom and technology sectors. With 20 years in the telecom industry, Pankaj has played a pivotal role in driving growth and operational excellence at leading organizations such as Phillips India, Vodafone Idea, Bharti Airtel, G4S Secure Solutions, and Crest Digital. His expertise spans large-scale business transformations, digital strategy implementation, and leading high-performing teams to achieve exceptional results. Prior to joining STL, Pankaj served as the COO at Crest Digital, where he successfully managed operations across 22 telecom circles. His strategic vision and leadership have consistently delivered outstanding results in driving business growth and transformation. His deep understanding of both business and technology continues to make a significant impact on the organizations he leads. He holds a Masters' degree in International Marketing from IIEIM and a Bachelor's degree in Commerce (Accounting and Finance) from Delhi University.

**Mr. Dindayal Jalan** is a Non-Executive Independent Director of the Company. He is a Chartered Accountant from Institute of Chartered Accounts of India. He has over 40 years of experience in managing business and finance in large metal and mining companies. He was the group CFO of Vedanta Resources Plc., and Executive Director & CFO of Vedanta Limited. He has also been the Finance & Commercial head of Hindustan Gas and Birla Copper, an Aditya Birla Group company.

**Ms. Kumud Madhok Srinivasan** is a Non-Executive Independent Director of the Company and is a retired Vice President and General Manager of Manufacturing & Operations Automation Systems at Intel Corporation. In this capacity, she was responsible for the automation and analytics of Intel's global logic, memory factories and adjacent functions. She spent 37+ years at Intel USA, leading multiple global functions, prominent being digital transformation and industrial automation. She is a seasoned leader, skilled at mobilising resources across organization levels. Her management experience includes leading large teams in matrix, geo-dispersed organizations in the US, China, and India. From 2012 to 2016, she served as President for Intel India. She joined the STL Board in 2018, and her experience in key industry domains such as Internet of Things, R&D, manufacturing and semiconductors is invaluable to the Company and its global customers. Srinivasan received her bachelor's degree in economics from Calcutta University in 1981 and her master's degree in information and library studies from Syracuse University in 1984. She has completed doctoral coursework in information science at University of California, Berkeley.

**Mr. Bangalore Jayaram Arun** is a Non-Executive Independent Director of the Company. He holds a Bachelor's degree in Engineering from the Bangalore Institute of Technology, Bangaluru. Mr. B J Arun with an overall experience of 40 years has founded and led multiple successful ventures in Silicon Valley. He founded California Digital, a Linux-based HPC leader, Librato, a software company, and was most recently the CEO of July Systems, which is a location-based mobile management platform. He was instrumental in scaling these companies and finding synergistic exits by merging them with global technology giants like SolarWinds and Cisco Systems. An industry leader, Mr. B J Arun was most recently the Chairman of TiE Global Board of Trustees. He served as the President of the TiE Silicon Valley Chapter and remains dedicated to fostering entrepreneurship in the technology community.

### **Other confirmations**

1. None of our Directors hold current and past directorship(s) in listed companies whose shares have been/were suspended from being traded on any of the stock exchanges during his/her tenure.
2. None of our Directors hold current and past directorship(s) in listed companies which have been/were delisted from the stock exchange(s), during his/her tenure.
3. As on the date of this Information Memorandum, except as disclosed below, none of the Directors, Key Managerial Personnel and Senior Management are related to each other.
4. Mr. Pravin Agarwal, the Chairman and Non-Executive Director of our Company is the father of Mr. Ankit Agarwal, the Vice-Chairman and Non-Executive Director of our Company.
5. None of our Directors have been appointed to directorship, or as a Key Managerial Personnel, or as a member of our Senior Management, pursuant to any arrangement or understanding with our major shareholders, customers, suppliers, or others.
6. None of our Directors of our Company have entered into any service contracts with our Company which provide for benefits upon termination of employment.

### **Borrowing powers of our Board**

Pursuant to a special resolution passed at an extra-ordinary general meeting of our Company held on March 21, 2025 and pursuant to Section 180(1)(c) and any other applicable provisions, of the Companies Act, 2013 and rules made thereunder, our Board has been authorised to borrow from time to time, as deemed by it to be requisite and proper for the business of the Company, from banks and/or financial institutions and/or multilateral agencies and/or export import banks and/or other creditors and/or any other person including related parties, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed permissible limit, i.e., the aggregate of the paid up capital of the Company, free reserve and securities premium of the Company, that is to say, reserves not set apart for any specific purposes, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of Rs. 3,000 Crores at any one time.

### **Details of remuneration of our Directors**

#### *Terms of appointment of our executive Directors*

During the preceding two years, none of the Directors were appointed in the executive capacity. Mr. Pankaj Malik was appointed as the Chief Executive Officer and Whole Time Director of the Company by way of an agreement executed between Mr. Pankaj Malik and the Company dated May 16, 2025 detailing out the terms of appointment and remuneration.

#### *Terms of appointment of our Non-Executive Directors including Independent Directors*

The Board of the Company has appointed Mr. Pravin Agarwal as the Chairman and Non - Executive Director, and Mr. Dindayal Jalan, Ms. Kumud Madhok Srinivasan and Mr. Bangalore Jayaram Arun as the Non-Executive Independent Directors w.e.f. May 16, 2025, which shall be subject to approval of the shareholders of the Company. The Board of the Company has appointed Mr. Ankit Agarwal as a Non - Executive Director on March 26, 2021, and further designated him as the Vice - Chairman w.e.f. May 16, 2025.

The Company issued letters of appointment to the Non-Executive Independent Directors detailing the terms of their appointment including sitting fees and commission. The commission payable to the Non-Executive Independent Directors shall be subject to the approval of the shareholders of the Company. Mr. Pravin Agarwal, Chairman and Non-Executive Director and Mr. Ankit Agarwal, Vice - Chairman and Non - Executive Director may also be entitled to sitting fees and commission.

#### *Remuneration paid to Executive Directors during the Fiscal Year 2024-25*

During the Fiscal Year 2024-25, none of the Directors were appointed in the executive capacity. Mr. Pankaj Malik was appointed as the Chief Executive Officer and Whole Time Director w.e.f. May 16, 2025. Accordingly, no

remuneration was paid to him in the capacity of Chief Executive Officer and Whole Time Director by the Company in Fiscal 2024-25. There is no contingent or deferred compensation payable to him for the said year.

#### *Remuneration paid to Non-Executive Directors including Independent Directors during the Fiscal Year 2024-25*

All the Independent Directors and Mr. Pravin Agarwal, Chairman and Non-Executive Director were appointed on May 16, 2025 and accordingly no remuneration was paid to them in Fiscal Year 2024-25. Further, the Company has not paid any remuneration during the Fiscal Year 2024-25 to Mr. Ankit Agarwal, as he was appointed on the Board of the Company as Non-Executive Director w.e.f. March 26, 2021 and was designated as Vice Chairman w.e.f. May 16, 2025. They will be entitled to reimbursement of expenses along with sitting fees for attending meetings of the Board and the Committees of the Board and commission up to 1% net profits in aggregate in accordance with the provisions of the Companies Act, 2013, which shall be subject to approval of the Shareholders of the Company.

#### *Bonus or profit-sharing plan for our Directors*

Other than as mentioned in “Our Management - Details of remuneration of our Directors” on page 129, our Company does not have a bonus or profit-sharing plan with any of our Directors.

#### **Remuneration paid or payable from our Subsidiaries and Associate Companies**

No remuneration was paid to the Directors of the Company by our Subsidiaries in Fiscal 2024-25.

As on the date of this Information Memorandum, our Company does not have any associate companies.

#### **Shareholding of our Directors in our Company**

As per the Articles of Association of our Company, our directors are not required to hold any qualification shares. The details of the shareholding are set forth below in the table:

| Sr. No. | Name of the Director    | No. of Equity Shares | Percentage of the equity share capital* (%) |
|---------|-------------------------|----------------------|---------------------------------------------|
| 1.      | Ankit Agarwal           | 8,38,676             | 0.172                                       |
| 2.      | Pravin Agarwal          | 50,000               | 0.011                                       |
| 3.      | Pankaj Malik            | 0                    | 0.000                                       |
| 4.      | Dindayal Jalan          | 0                    | 0.000                                       |
| 5.      | Kumud Madhok Srinivasan | 0                    | 0.000                                       |
| 6.      | Bangalore Jayram Arun   | 0                    | 0.000                                       |

\* As on the date of allotment, i.e. April 28, 2025

#### **Interests of Directors**

Our Directors may be deemed to be interested to the extent of remuneration, sitting fees and commission payable to them for services rendered as a Director of our Company and the reimbursement of expenses payable to them. For details, see “Details of Remuneration of our Directors” above.

Our Directors may also be interested to the extent of Equity Shares or stock options, if any, held by them or held by their relatives in the Company. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares, if any, held by them in the Company. No consideration in cash or Equity Shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested as a member by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company. For further details, please see section titled “Capital Structure” on page 35.

#### *Interest in land and property*

There is no property acquired by our Company since incorporation, nor it is presently proposed to be acquired and therefore, none of the Directors are interested in any property.

#### *Interest in promotion of the Company*



None of our Directors have any interest in the promotion of our Company, as on the date of this Information Memorandum.

#### *Loans to Directors*

As on the date of this Information Memorandum, no loans have been availed by the Directors from our Company.

#### **Changes in our Board of Directors during the last three years**

The following are the changes in Directors of our Company during the last three years:

| <b>Name</b>             | <b>Designation</b>                  | <b>Date of event</b> | <b>Reason</b> |
|-------------------------|-------------------------------------|----------------------|---------------|
| Pravin Agarwal          | Chairman and Non-Executive Director | May 16, 2025         | Appointment   |
| Pankaj Malik            | Whole Time Director                 | May 16, 2025         | Appointment   |
| Dindayal Jalan          | Non-Executive Independent Director  | May 16, 2025         | Appointment   |
| Kumud Madhok Srinivasan | Non-Executive Independent Director  | May 16, 2025         | Appointment   |
| Bangalore Jayaram Arun  | Non-Executive Independent Director  | May 16, 2025         | Appointment   |
| Pankaj Malik            | Non-Executive Director              | May 16, 2025         | Cessation     |
| Gopal Chandra Rastogi   | Non-Executive Director              | May 16, 2025         | Cessation     |
| Praveen Cherian         | Non-Executive Director              | February 14, 2025    | Cessation     |
| Pankaj Malik            | Non-Executive Director              | February 14, 2025    | Appointment   |
| Pankaj Aggarwal         | Non-Executive Director              | August 31, 2023      | Cessation     |
| Gopal Chandra Rastogi   | Non-Executive Director              | August 31, 2023      | Appointment   |
| Badri Narayan Gomatam   | Non-Executive Director              | April 14, 2023       | Cessation     |
| Sumit Mukherjee         | Non-Executive Director              | April 14, 2023       | Cessation     |
| Praveen Cherian         | Non-Executive Director              | April 14, 2023       | Appointment   |
| Pankaj Aggarwal         | Non-Executive Director              | April 14, 2023       | Appointment   |
| Sumit Mukherjee         | Non-Executive Director              | October 14, 2022     | Appointment   |
| Mihir Kirtikumar Modi   | Non-Executive Director              | October 14, 2022     | Cessation     |

#### **Corporate Governance**

The provisions relating to corporate governance prescribed under the SEBI Listing Regulations shall be applicable to our Company immediately upon listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the rules framed thereunder, in respect of corporate governance including constitution of our Board and committees thereof, as required under law.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. The Board functions either as a full board or through various committees constituted to oversee specific functions. The scope and function of our audit committee, nomination and remuneration committee, sustainability and corporate social responsibility committee, stakeholders' relationship committee and risk management committee are in accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, as amended from time to time. Our executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has 6 Directors, with 3 Independent Directors (including 1 women director) and 1 Executive Director and 2 Non-Executive Directors, in compliance with the SEBI Listing Regulations and the Companies Act, 2013.

The following committees have been formed in compliance with the corporate governance norms:

##### **1. Audit Committee:**

Our Audit Committee was constituted vide a resolution of our Board dated May 16, 2025. The current members of the Audit Committee as under:

| <b>Name of the Director</b> | <b>Designation</b>                   | <b>Position in the committee</b> |
|-----------------------------|--------------------------------------|----------------------------------|
| Dindayal Jalan              | Non-Executive – Independent Director | Chairperson                      |
| Kumud Madhok Srinivasan     | Non-Executive - Independent Director | Member                           |

|                        |                                      |        |
|------------------------|--------------------------------------|--------|
| Bangalore Jayaram Arun | Non-Executive - Independent Director | Member |
|------------------------|--------------------------------------|--------|

### *Scope and terms of reference*

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations, and its terms of reference are as follows:

1. Overseeing Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment, and replacement, remuneration, and terms of appointment of the statutory auditor and the fixation of audit fee.
3. Approval of payments to the statutory auditors for any other services rendered by statutory auditors.
4. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications and modified opinions in the draft audit report.
5. Reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval.
6. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance and the effectiveness of audit process.
8. Examination of the financial statement and the auditors' report thereon.
9. Approval or any subsequent modification of transactions of the Company with related parties.
10. Scrutiny of inter-corporate loans and investments.
11. Valuation of undertakings or assets of our Company, wherever it is necessary.
12. Evaluation of internal financial controls and risk management systems.
13. Reviewing, with management, the performance of statutory and internal auditors and adequacy of the internal control systems.
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
15. Discussion with internal auditors on any significant findings and follow up thereon.
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting

the matter to the Board.

17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post- audit discussion to ascertain any area of concern.
18. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
19. Reviewing the functioning of the whistle blower mechanism.
20. Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
21. Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws.
22. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rs. 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
24. Details of all material transactions with related parties to be disclosed every quarter.
25. On a quarterly basis, the details of related party transactions entered into by the Company pursuant to each omnibus approval given.
26. Reviewing and recommending for approval of the Board:
  - a. Proposals on borrowings and proposals on non-fund based facilities from banks;
  - b. Business plan; and
  - c. Corporate annual budget and revised estimates.
27. To formulate, review and make recommendations to the Board to amend the Terms of Reference of Audit Committee from time to time.
28. The Audit Committee shall mandatorily review the following information:
  - a. Management discussion and analysis of financial condition and result of operations;
  - b. Management letters/letters of internal control weaknesses issued by the statutory auditors;
  - c. Internal audit reports relating to internal control weaknesses;
  - d. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - e. Statement of deviations:
    - (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
    - (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

## 2. Stakeholders' Relationship Committee

Our Stakeholders' Relationship Committee was constituted vide a resolution of our Board dated May 16, 2025. The current members of the Stakeholders' Relationship Committee as under:

| Name of the Director | Designation                                     | Position in the committee |
|----------------------|-------------------------------------------------|---------------------------|
| Dindayal Jalan       | Non-Executive - Independent Director            | Chairperson               |
| Pankaj Malik         | Chief Executive Officer and Whole Time Director | Member                    |

|                         |                                      |        |
|-------------------------|--------------------------------------|--------|
| Kumud Madhok Srinivasan | Non-Executive - Independent Director | Member |
| Bangalore Jayaram Arun  | Non-Executive - Independent Director | Member |

#### *Scope and terms of reference*

The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178(6) of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

1. Redressal of grievances of shareholders, debenture holders and other security holders, including complaints related to the transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Collecting and analysing reports received periodically from the Registrar and the Share Transfer Agent on the following:
  - a. Complaints regarding non-receipt of the shares, debentures, deposit receipt, declared dividend or interest;
  - b. Complaints of investors routed by the SEBI or Stock Exchanges and others;
  - c. Transfer, sub-division, consolidation, split, exchange, endorsement, transmission of share certificates and transposition of share certificates;
  - d. Issue of share certificates, debentures certificates, duplicate share or debentures certificates in lieu of lost/torn/mutilated/defaced certificates;
  - e. Requests relating to de-materialisation and re-materialisation of shares;
  - f. Requests relating to modes of paying the dividend i.e. through electronic clearing service, RTGS and issue of dividend warrant for dividend payment/interest etc.; and
  - g. Complaints related to allotment of shares, transfer or transmission of shares, debentures or any other securities, non-receipt of annual report and non-receipt of declared dividends or any other document or information to be sent by our Company to its shareholders.
4. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
5. Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities.
6. Issue of duplicate certificates and new certificates on split/consolidation/renewal.
7. Non-receipt of declared dividends, balance sheets of our Company, annual report or any other documents or information to be sent by our Company to its shareholders.
8. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
9. Carrying out any other function as prescribed under the SEBI Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

### **3. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee was constituted vide a resolution of the Board dated May 16, 2025. The current members of the Nomination and Remuneration Committee as under:

| Name of the Director    | Designation                              | Position in the committee |
|-------------------------|------------------------------------------|---------------------------|
| Bangalore Jayaram Arun  | Non-Executive - Independent Director     | Chairperson               |
| Ankit Agarwal           | Non-Executive - Non-Independent Director | Member                    |
| Dindyal Jalan           | Non-Executive - Independent Director     | Member                    |
| Kumud Madhok Srinivasan | Non-Executive - Independent Director     | Member                    |

#### *Scope and terms of reference*

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations, and its terms of reference are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director.
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. Use the services of an external agencies, if required;
  - b. Consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. Consider the time commitments of the candidates
3. Identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
4. Formulation of criteria for the annual evaluation of individual Directors, the Board and its Committees as also the Chairperson.
5. Devising a policy on Board diversity.
6. Reviewing whether to extend or continue the term of appointment of the independent director, on the basis of the annual performance evaluation.
7. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. Also annually review comparator companies for benchmarking purposes.
8. Recommend to the Board, all remuneration, in whatever form, payable to senior management, i.e. all members of management one level below the chief executive officer and including the company secretary and the chief financial officer.
9. Approval and Oversight of the Employee Stock Option Scheme(s).
10. Quantum of option to be granted under an ESOP Scheme per employee and in aggregate.
11. Conditions under which option vested in employees may lapse in case of termination of employment for misconduct.
12. Exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period.
13. Specified time period within which the employee shall exercise the vested options in the event of termination or resignation of an employee.
14. Right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
15. Procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.
16. Grant, vest and exercise of option in case of employees who are on long leave.
17. Procedure for exercise of options.
18. Any other matter necessary for proper administration of the ESOP scheme.

19. Oversee Leadership Development, Rewards and Recognition, Talent Management and Succession Planning for the CXO level.
20. Review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.
21. Confirm to the Board on an annual basis the compliance by the Nomination and Remuneration Committee with its Charter.

#### 4. Risk Management Committee

The Risk Management Committee was constituted vide a resolution of the Board dated May 16, 2025. The current members of the Risk Management Committee as under:

| Name of the Director    | Designation                                     | Position in the committee |
|-------------------------|-------------------------------------------------|---------------------------|
| Kumud Madhok Srinivasan | Non-Executive - Independent Director            | Chairperson               |
| Pankaj Malik            | Chief Executive Officer and Whole Time Director | Member                    |
| Dindayal Jalan          | Non-Executive - Independent Director            | Member                    |
| Gopal Chandra Rastogi   | Chief Financial Officer                         | Member                    |

##### *Scope and terms of reference*

The scope and function of the Risk Management Committee is in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference are as follows:

1. Framing, reviewing and monitoring the Risk Management Policy and Plan of the Company which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
3. Monitoring risks, oversee implementation and risk management capabilities and policies within the organisation, including communication about escalating risk and crisis preparedness and recovery plans.
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
5. Monitoring cyber security risks and assessing the adequacy of infrastructure controls in place to mitigate the same.
6. Making regular reports to the Audit Committee/ Board on Risk management and minimization procedures.
7. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
8. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
9. Carrying out any other function as prescribed under the SEBI Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

#### 5. Sustainability and Corporate Social Responsibility Committee

The Sustainability and Corporate Social Responsibility Committee was constituted vide a resolution of the

Board dated May 16, 2025. The current members of the Sustainability and Corporate Social Responsibility Committee as under:

| Name of the Director    | Designation                                     | Position in the committee |
|-------------------------|-------------------------------------------------|---------------------------|
| Kumud Madhok Srinivasan | Non-Executive - Independent Director            | Chairperson               |
| Ankit Agarwal           | Non-Executive Non - Independent Director        | Member                    |
| Pankaj Malik            | Chief Executive Officer and Whole Time Director | Member                    |
| Bangalore Jayaram Arun  | Non-Executive - Independent Director            | Member                    |

#### *Scope and terms of reference*

The scope and function of the Sustainability and Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act, 2013 and its terms of reference are as follows:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) or its modification which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act.
2. To recommend the amount of expenditure to be incurred on the activities as prescribed under CSR Policy.
3. To monitor the CSR Policy of the Company from time to time.
4. To approve the Corporate Sustainability Report and oversee the implementation of sustainability activities.
5. To formulate and recommend to the Board - policies, principles and practices to foster the sustainable growth of the Company and to respond to evolving public sentiment and government regulations.
6. To aid management in setting strategy, establishing goals and integrating sustainability into daily business activities across the Company.
7. To review and advise the Board on Company's sustainability reporting and sustainability targets.
8. To review management's risk assessment and risk management policies and procedures with respect to sustainability impacts and considerations.
9. To review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.
10. To confirm to the Board on an annual basis the compliance by the Sustainability and Corporate Social Responsibility Committee with its Charter.
11. Carrying out any other function as prescribed under the SEBI Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

#### **6. Authorization and Allotment Committee**

The Authorization and Allotment Committee was constituted vide a resolution of the Board dated May 16, 2025. The current members of the Committee as under:

| Name of the Director | Designation                                     | Position in the committee |
|----------------------|-------------------------------------------------|---------------------------|
| Pravin Agarwal       | Non-Executive Non - Independent Director        | Chairperson               |
| Ankit Agarwal        | Non-Executive Non - Independent Director        | Member                    |
| Pankaj Malik         | Chief Executive Officer and Whole Time Director | Member                    |

#### *Scope and terms of reference*

The scope and terms of reference of the Authorization and Allotment Committee is as follows:

1. Opening and/or Closure of Bank Accounts, Opening and/or Closure of Demat Accounts / Hedging

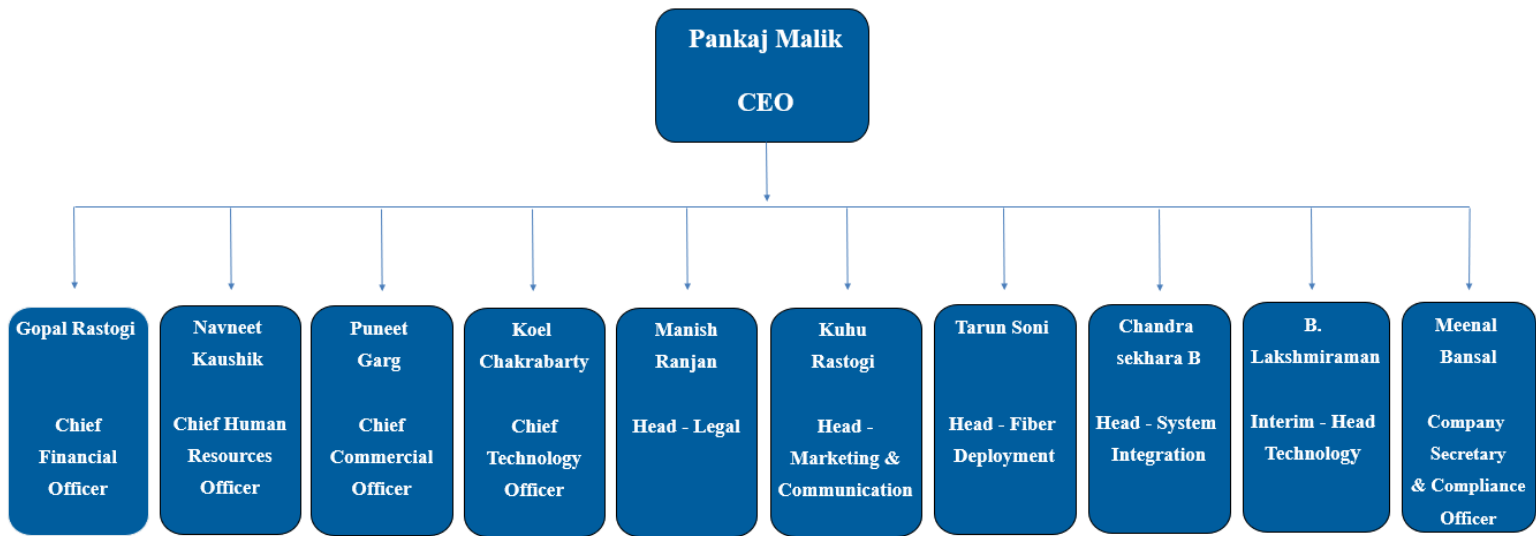
Accounts / Forex Accounts / Derivative / Forex Transactions / Internet Banking Authorizations / Cash Management Services and availing of corporate card facilities with various banks or Financial institutions in India and / or outside India and change in operations of Bank Accounts, issuing letter of continuity and all such matters related to operations of the Current and Cash Credit Accounts and in general to authorise the Directors and/or Chief Financial Officer to sign banking related documents related to Indian and foreign subsidiaries.

2. Appointing hedging brokers/sub-brokers for London Metal Exchange or any other Metal Exchanges.
3. Authorize / Grant Power of Attorneys to employees of the Company for bidding in tenders, marketing, representing the Company in routine business matters.
4. Authorize / grant Power of Attorney to employees of the Company or consultants to the Company in routine business matters.
5. Authorize / grant Power of Attorney to one or more persons to represent before authorities under Income Tax, Goods and Services Tax, Customs (including issuing Bonds), Ministry of Corporate Affairs, the Reserve Bank of India, the Registrar of Companies, Foreign Investment Promotion Board, Enforcement Directorate, Electricity Boards, Pollution Control Boards, Town and Country Planning Authorities and/or other statutory authorities under Central and/or State Governments.
6. Authorize / grant Power of Attorney to one or more persons to initiate and/or defend all legal proceedings including appointment of counsel, attorneys, mediators, arbitrators on behalf of the Company and also to execute affidavits, appeals, applications, petitions and other documents and all such necessary/incidental steps necessary in this regard.
7. Authorize one or more employees of the Company under Section 113 of the Companies Act, 2013 to attend and vote at the meetings of the companies where the Company is a shareholder/debenture-holder/security holder, meetings of creditors and meetings convened by the orders of the Court and to nominate/change nominee shareholders in any Subsidiary or Associate Companies from time to time to ensure the presence of quorum at their General Meetings and to ensure minimum number of members under the Companies Act 2013.
8. Authorize employees of the Company in matters relating to opening and/or closing of representative/branch offices in India or other countries.
9. Authorize / grant Power of Attorney to one or more persons at various units for administrative purposes viz. applying for telephone/ internet/ power connection and/or dealing with local municipal authorities, shop act authorities and related matters.
10. Authorize / give Power of Attorney to one or more persons to make application to Central Government, Ministry of Corporate Affairs, Foreign Investment Promotion Board, Enforcement Directorate, Reserve Bank of India, Registrar of Companies for various permissions required under various Statutory enactments.
11. Authorize / give Power of Attorney to one or more persons to make application to and to represent the Company before Ministry of Electronics and Information Technology and various Central and/or State Governmental Authorities, for securing the Modified Special Incentive Package Scheme (MSIPS) approval under the Modified Special Incentive Package Scheme (MSIPS) and Electronics Manufacturing Cluster (EMC) schemes of Government of India and the Department of Electronics and Information Technology (DeitY), Government of India, Department of Telecommunications (DoT).
12. Authorize one or more persons to execute and/or register any documents, deeds, papers for purchase/sale/ take or give on lease and / or Leave & License basis any land, factory, office premises and/or residential premises for the purpose of business.
13. Invest sums of money in Units of Mutual Funds, Government Securities, Bonds, Debentures, and any other Securities or instruments upto Rs. 500 Crores, at any given point of time.
14. Avail Working Capital facilities from various banks (Fund based and non-fund based) upto Rs. 3,000 Crores at any point of time.



15. Approve amendments to existing Superannuation Scheme including authority to change trustees, wherever necessary.
16. Authorize any person to affix seal of the Company to any instrument by the authority of a resolution.
17. To give consent for use of premises owned/taken on lease by the Company as registered office by any group Company.
18. To incorporate a wholly owned subsidiary of the Company (in India or overseas) and to invest by subscribing to/acquiring any type of shares/stock capital/convertible instruments upto Rs. 10 Crores.
19. To borrow monies either by availing a Term Loan from any banks/financial institution or through Non-Convertible Debentures as approved by the Board, upto an overall limit of as approved by the Board at any point in time.
20. To approve availing of factoring facility as a part of Working Capital Facilities
21. To apply for membership of Industrial Bodies/ Societies or such other associations
22. To approve issue/allotment of any type of securities, including pursuant to ESOP Scheme of the Company
23. To approve issuance of new /duplicate /split/consolidated share certificates
24. To settle any question, difficulty or doubts of the shareholders that may arise in regard to the issue and allotment of shares.
25. Redressal of shareholder complaints like non receipt of share certificates, loss of share certificates, transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.
26. Approval of Special Purpose Financials
27. Authority to issue and allot shares to the shareholders of Sterlite Technologies Limited as per the Record Date pursuant to the scheme of arrangement as approved by the Hon'ble NCLT, Mumbai Bench on February 14, 2025.
28. Approval of Information Memorandum, Final Information Memorandum Advertisement, Listing Application to the Stock Exchanges, SEBI and any other matter relating to Demerger and Listing of Shares on both the stock exchanges, NSE and BSE
29. Authority to communicate to Customers, Vendors, Regulators etc.
30. Approve any other matter as may be required pursuant to the scheme of arrangement as approved by the Hon'ble NCLT, Mumbai bench and for the purpose of listing of equity shares of the Company.
31. Any other power which the Board may deem fit to delegate to the Committee from time to time.

## ORGANISATIONAL STRUCTURE



## Key Managerial Personnel and Senior Management

### Brief profiles of our Key Managerial Personnel and Senior Management

In addition to **Pankaj Malik**, our Chief Executive Officer, whose details are provided in “*Brief profile of our Directors*”, the details of our other Key Managerial Personnel and Senior Management are provided below:

**Gopal Chandra Rastogi** is the Chief Financial Officer of the Company. He has been associated with the Company since April 25, 2018. He holds a Chartered Accountant Degree from Institute of Chartered Accountants of India, Delhi and a Certified Management Accountant from the Institute of Management Accountants (US) and has attended Indian School of Business (ISB) at Hyderabad. Prior to joining the Company, he was associated with Bharti Infratel Limited where he was the Finance Head - R2R. He brings extensive expertise in managing large-scale operations and driving financial excellence, FA & Reporting; accounting; forecasting and planning and revenue maximisation. With a distinguished career in leadership roles across Bharti Airtel Limited, Electronic Data Systems, and Bharti Infratel Limited, Gopal has consistently delivered results in optimizing profitability and enhancing operational efficiency. At SNL, he plays a pivotal role in strengthening the Company’s financial health and developing growth strategies to capitalize on new market opportunities within the industry. As a seasoned leader, Gopal has a strategic mindset and a deep understanding of the financial landscape, enabling him to drive impactful initiatives that align with Company’s vision. He has received Rs.1.01 Cr. remuneration in Fiscal 2024-2025. His ability to foster financial stability while identifying new growth avenues positions him as a key pillar in the organization’s journey toward sustained success.

**Navneet Kaushik** is the Chief Human Resources Officer of the Company. He has been associated with the Company since July 19, 2021. He holds a Master of Business Administration from Delhi University. Prior to joining the Company, he was associated with Vedanta Limited (Cairn Oil & Gas) where he was the DGM – HR from September 2011 to August 2021. He has received Rs. 1.28 Cr. remuneration in Fiscal 2024-25. He is an ESG Leader at SNL, where he drives the Company’s efforts to nurture talent and promote sustainability. With extensive experience in HR leadership roles at organizations such as Container Corporation of India, Hindustan Times, Aviva India, SMC Insurance, and Cairn Oil & Gas, Navneet brings a proven track record of building robust HR frameworks and fostering employee growth. Navneet is dedicated to empowering employees through professional development opportunities while cultivating a culture of innovation and collaboration. His leadership is instrumental in positioning Company’s workforce as the foundation of its success in the rapidly evolving digital ecosystem. Additionally, as an ESG Leader, he is committed to advancing sustainability initiatives and building a green workspace that aligns with Company’s vision for a responsible and inclusive future. He has his expertise in Employee Relations, Leadership and Strategic Thinking, Organizational Development, Performance Management, Talent Acquisition, Training and Development, Talent Development, Employee Engagement, HR Business Partner and Stakeholder Management.

**Puneet Garg** is the Chief Commercial Officer of the Company. He has been associated with the Company since May 15, 2015. He holds a Bachelor of Engineering from R.E.C. Kurukreshtra. Prior to joining the Company, he was associated with Bharti Infratel Limited where he was the GM – SCM from August 2011 to May 2015. He received Rs 1.60 Cr. remuneration in Fiscal 2024-25. He is responsible for shaping and implementing commercial strategies that drive sustainable growth and optimize client relationships, and enhance business profitability. With extensive experience in senior roles at Ericsson India Ltd. and Bharti Infratel, Puneet has been instrumental in driving successful project planning and execution across diverse market landscapes. He plays a critical role in strengthening Company’s supply chain operations—enhancing procurement efficiencies, streamlining logistics, and mitigating risks to ensure seamless service delivery. His expertise spans supply chain management, sales, operations, strategic planning and execution, project execution, vendor development, operations management, P&L Management, project management and innovative business approaches, enabling Company to navigate complex market dynamics while maintaining a competitive edge. Puneet’s strategic leadership fosters operational excellence, accelerates business expansion, and reinforces Company’s position as an industry leader in delivering next-generation digital infrastructure and services.

**Koel Chakrabarty** is the Chief Technology Officer of the Company. She has been associated with the Company since November 20, 2023. She holds BE in Electronics and Communication from BIT, Mesra and has done Executive Management Courses from IIM Ahmedabad and ISB Bangalore. Prior to joining the Company, she was associated with Cisco where she was the Director System Engineering (Service Provider Segment for India & SAARC) from January 2022 to November 2023. She leads the Company’s technology strategy with a strong focus on innovation and delivering customer-centric solutions. She has received Rs 1.09 Cr. remuneration in Fiscal 2024-25. With 27+ years of experience in leadership roles at industry giants such as Cisco, Ericsson (Telecom Vendor), and Tata Communications (Telecom Operator), Koel has been at the forefront of driving major transformations

and introducing new technologies, has expertise in technology and business leadership roles covering wide technology areas in telecom and IT. Her career spans a broad spectrum of technology areas, including wireless and wireline domains, as well as multiple generations of fixed and mobile technologies. Throughout her career, Koel has consistently driven the integration of advanced tools and digital solutions to enhance operational efficiency and drive transformative results. At SNL, she plays a key role in shaping the Company's culture of innovation and guiding the adoption of cutting-edge technologies to meet the ever-evolving needs of customers. Her ability to identify emerging trends and translate them into actionable strategies has been instrumental in delivering market-leading, relevant solutions. Koel's leadership is anchored in her core values of excellence, ownership and execution, while her passion for people leadership continues to inspire and empower her teams to achieve excellence.

**Manish Ranjan** is the Head - Legal of the Company and has been associated with the Company since December 28, 2023. He holds a Bachelor of Law from Delhi University, Delhi. Prior to joining the Company, he was Head Legal - RMRW (Road, Metro, Rail and Water) Business at Adani Road Transport Ltd. Manish brings over 22 years of experience, including the last decade in senior legal leadership roles at organizations such as Adani Group, BIAL, GMR Group, Alstom, Tata Steel BSL, Essar Power, Reliance Industries Ltd, and a leading law firm. He leads the legal function with a focus on strategic insight and effective risk management. He holds dual LL.M. degrees in Intellectual Property Law and Corporate & Financial Laws, along with qualifications in Tax Laws, Competition Law, and Executive Management. His sectoral expertise includes telecom infrastructure, roads, rail, airports, power, steel, mining, and oil & gas. Manish has a strong track record in high-stakes civil, regulatory, and arbitration matters, and specializes in M&A, corporate restructuring, and legal compliance. His leadership supports the Company's commitment to ethical business practices, fostering a culture of integrity and strong governance.

**Kuhu Rastogi** is the Head – Marketing & Communication of the Company. She has been associated with the Company since April 4, 2022. She holds a Master of Business Administration from the Faculty of Management Studies (FMS) from Delhi University and a Bachelor's in IT from the College of Business Studies (CBS). Prior to joining the Company, she was associated with Mothercare (part of Reliance Retail), where she was the Head of Marketing and Public Relations. She has received Rs. 0.50 Cr. remuneration in Fiscal 2024-25. With a distinguished career spanning global brands like Coca-Cola, Kraft Heinz, Mattel, Snapdeal, and Mothercare, she brings a powerful blend of creativity, strategic acumen, and market expertise to the organization. At SNL, Kuhu is leading the charge in positioning the Company as a driving force in the digital infrastructure and IT services space. She played an instrumental role in the conceptualization, launch, and successful rollout of the Invenia brand, from defining its core narrative, visual identity, and digital expression to driving internal alignment and external engagement. Under her leadership, the brand is strategically positioned as a bold, agile, and innovation-led system integrator and managed services provider. At the Company, Kuhu is focused on amplifying the company's unique value proposition, driving market differentiation, and crafting compelling narratives that elevate brand presence. She is committed to shaping a bold and dynamic brand strategy that not only engages audiences but also reinforces SNL's role as a catalyst for digital transformation.

**Tarun Soni** is the Head - Fiber Deployment of the Company. He has been associated with the Company since August 23, 2017. He holds an MBA degree from Punjab University, Chandigarh and B. Tech degree from Pune University, Pune. Prior to joining the Company, he was associated with Bharti Airtel where he was the Vice President and served Airtel from October 2001 to August 2017. He has received Rs. 1.22 Cr. remuneration in Fiscal 2024-25. Based on his past experience, Tarun brings his expertise in Technology Consulting, Strategic planning and governance, and Business transformation.

**Chandrasekhara Battula** is the Head System integration of the Company. He has been associated with the Company since March 29, 2017. He holds a Master of Business Administration from Sikkim Manipal University, Mumbai. Prior to joining the Company, he was associated with Ericsson India Limited where he was the Senior Customer Project Manager from June 2015 to March 2017. He has received Rs. 0.92 Cr. remuneration in Fiscal 2024-25. Based on his past experience, Chandrasekhara brings his expertise in Strategic business operations; Data Centre Build IPMPLS, CEN, Broadband, MSAN, GPON, FTTH; Integration domains like Fault Management; Northbound/Southbound Networks integration and Automation projects.

**B. Lakshmiraman** is the Interim - Head Technology of the Company and has been associated with the Company since September 16, 2024. He holds a Master of Science degree from BITS, Pilani, and an Engineering degree in Electronics, and Communication from University of Madras. Prior to joining the Company, he spent nearly 9 years at Ericsson in Sales and Commercial Management, supporting Enterprise and Public Sector Telecom clients and is based out of Gurgaon. Before that, he spent over 17 years at Alcatel-Lucent, engaging with major operators like Bharti Airtel, BSNL, MTNL, Reliance, TTSL, and Uninor in core network solutions. He is a seasoned telecom and ICT professional with over 26 years of extensive experience spanning presales, business development, R&D,

and strategic sourcing. He has held leadership roles at Ericsson and Alcatel-Lucent, bringing deep domain expertise in 4G/5G core networks, IMS, VoNR, and cloud infrastructure. As a Solution Leader, he was responsible for delivering end-to-end core network solutions to telecom operators and enterprise customers, while also serving as a Global Knowledge Driver for OSS, Core and Cloud Infrastructure. He received a remuneration of Rs. 0.23 Cr in Fiscal 2024-25. Known for his techno-commercial acumen, he excels in leading global teams, managing multi-million-euro R&D sourcing portfolio and driving customer transformation initiatives. He is skilled at simplifying complex technologies, strategic problem solving, and delivering impactful solutions across enterprise and public sector clients.

**Meenal Bansal** is the Company Secretary and Compliance Officer of the Company w.e.f. March 06, 2025. She has been associated with the Company since February 06, 2025. She holds a Company Secretary degree from Institute of Company Secretaries of India, Delhi, a law degree, and has a master's in commerce. Prior to joining the Company, she was associated with LT Foods Limited where she was the Manager - Company Secretary & Compliance. Her rich professional journey includes key roles at companies such as Orient Electric Limited, and MPS Limited, where she managed governance and compliance across multiple entities at the group level. She has received Rs. 0.04 Cr remuneration in Fiscal 2024-25. Meenal brings over 13 years of extensive experience in governance, compliance, and investor relations for publicly listed companies. At SNL, Meenal is leading the charge in upholding exemplary standards of corporate governance, ensuring transparency and integrity across all stakeholder engagements. Throughout her career, Meenal has played a pivotal role in managing a range of strategic initiatives including fundraising through QIP, Commercial Papers, and ESOPs, as well as steering mergers, acquisitions, joint ventures, corporate litigations, and managed contractual affairs.

#### **Status of Key Managerial Personnel and Senior Management**

All the Key Managerial Personnel and Senior Management are permanent employees of our Company.

#### **Relationship of Key Managerial Personnel and Senior Management**

None of our Key Managerial Personnel or Senior Management are related to each other.

#### **Arrangement or Understanding with Major Shareholders, Customers, Suppliers or Others**

None of our Key Managerial Personnel and Senior Management have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

#### **Bonus or profit-sharing plan for our Key Managerial Personnel**

Other than the variable incentive scheme, as will be determined by the Nomination and Remuneration Committee and approved by the Board, none of our Key Management Personnel and Senior Management are party to any bonus or profit-sharing plan of our Company.

#### **Contingent or deferred compensation payable to Key Managerial Personnel and Senior Management**

Other than the variable incentive scheme which may be contingent on the performance of the Company, there is no contingent or deferred compensation payable to Key Managerial Personnel and Senior Management.

#### **Interests of Key Managerial Personnel and Senior Management**

Our Key Managerial Personnel and Senior Management may be interested to the extent of their remuneration and other employment benefits in accordance with their respective terms of employment for service rendered as officers or employees of the Company. All of our Key Managerial Personnel and Senior Management may also be deemed to be interested to the extent of their shareholding and any dividend payable to them and other distributions in respect of the said Equity Shares, if any. For further details, please see "*Capital Structure*" on page 35.

#### **Shareholding of Key Managerial Personnel and Senior Management**

The details of the Equity Shares held by our Key Managerial Personnel and Senior Management, as on the date of this Information Memorandum, are as follows:

| Name of the Key Managerial Personnel / Senior Management | No. of Equity Shares | Percentage of the Equity Share Capital |
|----------------------------------------------------------|----------------------|----------------------------------------|
|----------------------------------------------------------|----------------------|----------------------------------------|

|                            |        |        |
|----------------------------|--------|--------|
| Chandrasekhara Rao Battula | 28,267 | 0.006  |
| Gopal Chandra Rastogi      | 12,244 | 0.003  |
| Tarun Soni                 | 2,812  | 0.001  |
| Meenal Bansal              | 500    | 0.0001 |
| Pankaj Malik               | 0      | 0.000  |
| Navneet Kaushik            | 0      | 0.000  |
| Puneet Garg                | 0      | 0.000  |
| Koel Chakrabarty           | 0      | 0.000  |
| Manish Ranjan              | 0      | 0.000  |
| Kuhu Rastogi               | 0      | 0.000  |
| B. Lakshmiraman            | 0      | 0.000  |

### Changes in our Key Managerial Personnel and Senior Management and their Attrition Rate

The changes in our Key Managerial Personnel and Senior Management during the last three years:

| Name of the Key Managerial Personnel / Senior Management | Designation                            | Date of Appointment / Cessation | Reason      |
|----------------------------------------------------------|----------------------------------------|---------------------------------|-------------|
| B. Lakshmiraman                                          | Interim - Head Technology              | August 8, 2025                  | Appointment |
| Gopal Chandra Rastogi                                    | Chief Financial Officer                | May 16, 2025                    | Appointment |
| Pankaj Malik                                             | Chief Executive Officer                | May 16, 2025                    | Appointment |
| Kuhu Rastogi                                             | Head Marketing & Communication         | April 1, 2025                   | Appointment |
| Navneet Kaushik                                          | Chief Human Resource Officer           | April 01, 2025                  | Appointment |
| Meenal Bansal                                            | Company Secretary & Compliance Officer | March 06, 2025                  | Appointment |
| Alok Mahapatra                                           | Chief Operational Officer              | February 21, 2025               | Cessation   |
| Praveen Cherian                                          | Chief Executive Officer                | February 14, 2025               | Cessation   |
| Pankaj Malik                                             | Chief Executive Officer*               | February 01, 2025               | Appointment |
| Tarun Soni                                               | Head - Fiber                           | September 30, 2024              | Appointment |
| Puneet Garg                                              | Chief Commercial Officer               | September 30, 2024              | Appointment |
| Vijayanand Choudhary                                     | Chief Commercial Officer               | October 31, 2024                | Cessation   |
| Sanjay Sahni                                             | Head Sales                             | August 12, 2024                 | Cessation   |
| Sushil Kumar Agarwal                                     | Chief Operational Officer              | January 30, 2024                | Cessation   |
| Manish Ranjan                                            | Head Legal                             | December 28, 2023               | Appointment |
| Koel Chakrabarty                                         | Chief Technical Officer                | November 20, 2023               | Appointment |
| Gopal Chandra Rastogi                                    | Chief Financial Officer*               | September 01, 2023              | Appointment |
| Pankaj Aggarwal                                          | Chief Financial Officer                | August 31, 2023                 | Cessation   |
| Ramesh Sharma                                            | Head Legal                             | June 30, 2023                   | Cessation   |
| Chandrasekhara Rao Battula                               | Head System Integration                | May 01, 2023                    | Appointment |
| Sanjay Sahni                                             | Head Sales                             | January 30, 2023                | Appointment |
| Vijayanand Choudhary                                     | Chief Commercial Officer               | April 14, 2022                  | Appointment |

\*Appointment to the specified designation was made in relation to the Global Services Business (a division of the Demerged Company).

Koel Chakrabarty, our Chief Technical Officer, and Tarun Soni, our Head – Fiber Deployment, have resigned from the Company with effect from July 30, 2025, and their last working day will be October 27, 2025.

### Attrition rate of Key Managerial Personnel and Senior Management

The attrition rate of the Key Managerial Personnel or Senior Management of the Company is not high compared to the industry.

### Employee stock options

As on date of this Information Memorandum, there are no outstanding options granted by our Company under the ESOP Scheme.

### Payment or benefit to officers of our Company (non-salary related)

Other than employee stock options to be granted under the ESOP Scheme and other perquisites as per the policies of the Company, no non-salary amount or benefit has been paid or given by the Company within the two preceding years of this Information Memorandum or is intended to be paid or given by the Company to any of the officers of the Company, including the Key Managerial Personnel and Senior Management.

## OUR PROMOTER AND PROMOTER GROUP

Mr. Anil Agarwal and Twin Star Overseas Limited are the Promoters of our Company. As on the date of this Information Memorandum, our Corporate Promoters hold an aggregate of 20,94,02,750 Equity Shares, comprising 42.918 % of the issued, subscribed and paid-up Equity Share capital of our Company. For further details, see “*Capital Structure – Notes to Capital Structure – Shareholding of each of the Promoters and Build-up of Promoter’s Shareholding in the Company*” on page 40.

### Details of our Promoters:

#### *Individual Promoter*



#### **Anil Agarwal**

Mr. Anil Agarwal, born on September 07, 1952, aged 72 years, is the Promoter of our Company. He is a citizen of India and currently resides at 44 Hill Street, London, United Kingdom, W1J5NXGB. His PAN is AFWPA3200K.

Mr. Anil Agarwal is the Non-Executive Chairman of Vedanta Limited. He has been the Executive Chairman of Vedanta Resources Limited, UK since March 2005. He founded the Vedanta Group in 1976 and has over four decades of entrepreneurial experience. Additionally, he holds other directorships in Conclave PTC Limited, Sterlite Technologies Limited, Black Mountain Mining (Proprietary) Limited, Anil Agarwal Foundation and Anil Agarwal Riverside Studios Trust.

Under his leadership, Vedanta has grown from an Indian domestic miner to a global natural resources group, with a world-class portfolio of large, diversified assets in oil & gas, zinc, silver, aluminium, copper, nickel, iron & steel and power that are capable of generating strong cash flows.

Mr. Agarwal's vision is to empower the nation by achieving self-sufficiency in the natural resources sector. Over the years, he has invested over US\$35 billion for the development of the natural resources sector in India. He has also been a strong advocate for the growth of the MSME sector and startups in India.

Mr. Agarwal believes that businesses must give back to the society and help them prosper. He has pledged 75% of his wealth for social good. He has signed The Giving Pledge, a movement of global philanthropists who have committed to giving away the majority of their wealth towards philanthropic and charitable causes. Mr. Agarwal is committed to promoting the well-being of the communities with a focus on women and child development. His dream project, Nand Ghar, is developing model anganwadis across India that are focused on eradicating child malnutrition, providing education, healthcare, and empowering women with skill development. Mr. Agarwal is also committed to nurturing the youth through the promotion of sports and grass root talent by developing state of the art sports infrastructure in India.

The Anil Agarwal Foundation is committed towards empowering communities, transforming lives and facilitating nation building through sustainable and inclusive growth. The Foundation has teamed up with the Bill & Melinda Gates Foundation to improve health and nutritional outcomes.

Our Company confirms that the permanent account number, Aadhaar card number, driving license number, bank account number(s) and the passport number of Mr. Anil Agarwal, shall be submitted to the Stock Exchanges at the time of filing this Information Memorandum.

#### *Corporate Promoter:*

#### **Twin Star Overseas Limited**

#### *Corporate Information*

Twin Star Overseas Limited was incorporated on June 2, 2006 under the laws of Republic of Mauritius. Its

registration number is 63181 C1/GBL and PAN is AACCT6021D. Twin Star Overseas Limited is primarily engaged in the business of Investment Holding. There have been no changes to the primary business activities undertaken by Twin Star Overseas Limited.

The registered office of Twin Star Overseas Limited is at C/o IQ EQ Corporate Services (Mauritius) Ltd, 33, Edith Cavell Street, Port Louis, 11324, Republic of Mauritius.

#### *Shareholding pattern*

As on the date of this Information Memorandum, the issued and paid-up share capital of Twin Star Overseas Limited is USD 1,000,002 divided into 1,000,002 equity shares of face value of USD 1 each.

The following table sets forth details of the shareholding pattern of Twin Star Overseas Limited, as on the date of this Information Memorandum :

| Sr. No. | Name of the shareholders | Number of equity shares held | Percentage of shareholding (%) |
|---------|--------------------------|------------------------------|--------------------------------|
| 1.      | Vedanta Incorporated     | 1,000,002                    | 100                            |

#### *Board of Directors*

The board of directors of Twin Star Overseas Limited as on the date of this Information Memorandum are:

1. Bhavana Banymandhub
2. Savinilorna Payandi – Pillay Ramen,
3. Vandana Jhupsee-Ramooah (alternate to Savinilorna Payandi – Pillay Ramen)
4. Vegambal Ramassami (alternate to Bhavana Banymandhub)

#### *Details of promoters of Twin Star Overseas Limited*

Vedanta Incorporated – Bahamas (100% Holding)

#### *Details of change in control of Twin Star Overseas Limited*

There has been no change in control of Twin Star Overseas Limited, in the last three years preceding the date of this Information Memorandum.

Our Company confirms that the permanent account number, bank account number(s), company registration number and the address of the registrar of companies where Twin Star Overseas Limited is registered, shall be submitted to the Stock Exchanges at the time of filing this Information Memorandum.

#### **Changes in our Promoters**

Other than pursuant to the Scheme, there has been no change in our Promoters. For further details, please see “*Capital Structure – Notes to Capital Structure – Shareholding of each of the Promoters and Build-up of Promoter’s Shareholding in the Company*” on page 40.

#### **Interest of our Promoters**

The Promoters are interested in our Company to the extent they are Promoters of our Company and to the extent of their respective direct or indirect shareholding in our Company and dividend payable, if any and any other distributions in respect of their direct or indirect shareholding in our Company.

For further details, see section titled “*Capital Structure*” on page 35 and “*Our Management - Details of remuneration for our Directors*” on page 129.

#### **Disassociation by our Promoters in the last three years**

Our Promoters have not disassociated themselves from any companies or firms during the three years preceding the date of filing of this Information Memorandum.



**Payment or benefit to Promoters of our company**

There is no dividend or amount paid or benefits granted by our Company to our Promoters or any member of the Promoter Group, since its incorporation on March 26, 2021, or is intended to be paid to any of our Promoters or members of the Promoter Group as on the date of this Information Memorandum, other than in the ordinary course of business.

**Material guarantees**

No material guarantees have been given to third parties by our Promoters with respect to Equity Shares of our Company.

**Promoter group**

The following are the individuals and entities that form part of our Promoter Group in accordance with the SEBI ICDR Regulations:

*Natural person forming part of our promoter group:*

The natural persons who are members of our Promoter Group, other than our Individual Promoters, are as follows:

| Sr. No. | Name of the individuals |
|---------|-------------------------|
| 1.      | Navin Agarwal           |
| 2.      | Pratik Pravin Agarwal   |
| 3.      | Pravin Agarwal          |
| 4.      | Jyoti Agarwal           |
| 5.      | Ankit Agarwal           |
| 6.      | Ruchira Agarwal         |
| 7.      | Sonakshi Agarwal        |

*Entities forming part of our promoter group*

The entities which are members of our Promoter Group are as follows:

| Sr. No. | Name of entities            |
|---------|-----------------------------|
| 1.      | Vedanta Limited             |
| 2.      | Pravin Agarwal Family Trust |

## GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term ‘group companies’, includes: (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed in the financial statements (as also set out in this Information Memorandum below), as covered under applicable accounting standards; and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, all such companies (other than our Promoter and Subsidiaries) with which our Company had related party transactions during the period for which financial information is disclosed in this Information Memorandum have been considered as Group Companies in terms of the SEBI ICDR Regulations.

Based on the above, our Group Companies are as set forth below:

1. Vedanta Limited
2. Sterlite Technologies Limited
3. Hindustan Zinc Limited
4. Talwandi Sabo Power Limited
5. STL Digital Limited
6. Sterlite Tech Cables Solutions Limited

### Details of our listed Group Companies

The details of our listed group companies are provided below:

#### 1. Vedanta Limited

##### *Registered Address*

The registered office of Vedanta Limited is 1st Floor, C wing, Unit 103, Corporate Avenue Atul Projects, Chakala, Andheri (East), Mumbai City, Mumbai, Maharashtra, India, 400093.

##### *Financial Information*

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited financial statements of Vedanta Limited for the last three financial years is available on the website at [www.vedantalimited.com/eng/](http://www.vedantalimited.com/eng/).

#### 2. Sterlite Technologies Limited (“STL”)

##### *Registered Address*

The registered office of STL is 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune – 411 001, Maharashtra.

##### *Financial Information*

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited financial statements of STL for the last three financial years is available on the website at [www.stl.tech](http://www.stl.tech).

#### 3. Hindustan Zinc Limited (“HZL”)

##### *Registered Address*

The registered office of HZL is Yashad Bhavan, Yashadgarh, Udaipur, Rajasthan, India, 313004.

### Financial Information

Information with respect to reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the audited financial statements of HZL for the last three financial years is available on the website at [www.hzlindia.com/](http://www.hzlindia.com/).

### Details of our unlisted Group Companies

The details of our unlisted Group Companies are provided below:

#### 1. Talwandi Sabo Power Limited (“TSPL”)

##### Registered Address

The registered office of TSPL is C-103, Atul Projects-Corporate Avenue, New Link Road, Chakala, Andheri, (E), Mumbai, Chakala MIDC, Mumbai, Maharashtra, India, 400093.

##### Financial Information

The financial information derived from the audited financial results of TSPL for the Fiscals 2024, 2023 and 2022 are set forth below:

(Rs. in Crores)

| Particulars                             | Fiscals        |                |                |
|-----------------------------------------|----------------|----------------|----------------|
|                                         | March 31, 2025 | March 31, 2024 | March 31, 2023 |
| Reserve (excluding revaluation reserve) | 447.98         | 416.15         | (186.27)       |
| Sales                                   | 5,239          | 5,284*         | 5,766          |
| Profit after tax / loss after tax       | 31.84          | 602.15         | (70.28)        |
| Earnings per share (Rs.)                | 0.10           | 1.88           | (0.22)         |
| Diluted earnings per share (Rs.)        | 0.10           | 1.88           | (0.22)         |
| Net Asset Value (Rs.)                   | 11.40          | 11.30          | 9.42           |

\* Includes some reclassifications.

#### 2. STL Digital Limited (“STL Digital”)

##### Registered Address

The registered office of STL Digital is Plot No 33/1/1, Waghadara Road, Dadra, Silvassa, Dadra & Nagar Haveli, Silvassa, India, 396230.

##### Financial Information

The financial information derived from the audited financial results of STL Digital for the Fiscals 2024, 2023 and 2022 are set forth below:

(Rs. in Crores)

| Particulars                             | Fiscals        |                |                |
|-----------------------------------------|----------------|----------------|----------------|
|                                         | March 31, 2025 | March 31, 2024 | March 31, 2023 |
| Reserve (excluding revaluation reserve) | (148.86)       | (107.24)       | (26.83)        |
| Sales                                   | 235.43         | 234.57         | 61.54          |
| Profit after tax / loss after tax       | (42.43)        | (81.23)        | (27.42)        |
| Earnings per share (Rs.)                | (8,486.30)     | (16,245.00)    | (5,484.60)     |
| Diluted earnings per share (Rs.)        | (8,486.30)     | (16,245.00)    | (5,484.60)     |
| Net Asset Value (Rs.)                   | (148.81)       | (107.19)       | (26.78)        |

Note: Sterlite Technologies Limited sold the Digital business to STL Digital Ltd on April 01, 2023, through a Business Transfer Agreement. Accordingly, comparative numbers for FY 22-23 in 23-24 Financials are restated as per Ind AS 103 Business Combinations.

#### 3. Sterlite Tech Cables Solutions Limited (“STCSL”)

##### Registered Address

The registered office of STCSL is E-2, MIDC, Waluj, Aurangabad, Maharashtra, India, 431133.

## Financial Information

The financial information derived from the audited financial results of STCSL for the Fiscals 2024, 2023 and 2022 are set forth below:

(Rs. in Crores)

| Particulars                             | Fiscals        |                |                |
|-----------------------------------------|----------------|----------------|----------------|
|                                         | March 31, 2025 | March 31, 2024 | March 31, 2023 |
| Reserve (excluding revaluation reserve) | 264.35         | 282.72         | 255.99         |
| Sales                                   | 557.35         | 696.48         | 1154.95        |
| Profit after tax / loss after tax       | (18.44)        | 41.66          | 240.01         |
| Earnings per share (Rs.)                | (12.25)        | 27.68          | 159.48         |
| Diluted earnings per share (Rs.)        | (12.25)        | 27.68          | 159.48         |
| Net Asset Value (Rs.)                   | 279.40         | 297.77         | 256.04         |

### Nature and extent of interest of Group Companies

None of our Group Companies have any interest in the promotion of our Company.

The Company in the three years preceding the date of this Information Memorandum has not acquired any property or as on the date of filing of this Information Memorandum proposes to acquire any land, construct building or supply of machinery in future and accordingly ascertaining interest of our Group Companies in such transactions does not arise.

### Common pursuits among the Group Companies, Subsidiaries and the Company

Except for STL, none of our Group Companies have any common pursuits with our Company. For subsidiaries related disclosure refer to “*Subsidiaries, Joint Ventures and Associates*” on page 123.

### Related business transactions within our Group Companies and significance on the financial performance of the Company

Except for any related party transactions as disclosed in “*Financial Statements*” beginning on page 152, there are no other related business transactions with the Group Companies which are significant to the financial performance of the Company.

### Litigation

As on the date of this Information Memorandum, there is no pending litigation involving our Group Companies, which has a material impact on the Company.

### Business interest of Group Companies

Except for any related party transactions as stated in “*Financial Statements*” beginning on page 152, or in the ordinary course of business, our Group Companies do not have any business interest in the Company.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board and approved by our shareholders, as applicable and at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act.

Our Company was incorporated on March 26, 2021 and until the date of this Information Memorandum, our Company has not paid any dividend on its Equity Shares.

SNL has adopted a Dividend Distribution Policy approved by our Board at their meeting dated March 06, 2025, in accordance with Regulation 43A of the SEBI Listing Regulations and applicable provisions of the Companies Act, 2013. The primary objective of the policy is to establish a balanced approach between distributing profits to shareholders and retaining earnings for future growth, capital requirements, and strategic investments. The policy sets out the guiding principles and financial parameters to be considered by the Board when declaring dividends.

The philosophy of the Company is to maximize the shareholders' wealth through the prudent use of various financial tools and mechanisms for balancing sustainable periodic returns to shareholders and funds required for growth. Our intent is to reward the shareholder through distribution of profits after retaining sufficient funds for various purposes including future growth, organic/inorganic opportunities, cash flow requirements etc. to the shareholders. The policy outlines various internal and external factors influencing dividend decisions including but not limited to profitability, working capital needs, capital expenditure plans, regulatory conditions, industry trends, provisioning, future expansion strategies or any other future developments which may require allocation or reallocation of funds of the Company. It also details scenarios where dividends may not be declared, including during major expansion phases, acquisitions, when profits are inadequate. For details in relation to risks involved in this regard, see *"Risk Factors - Internal Risk Factors – Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures and the terms of our financing arrangements."* on page 25.

This structured approach ensures transparency and consistency in the Company's dividend practices, aligning the interests of the shareholders with the long-term goals of the business.

## SECTION VI – FINANCIAL STATEMENTS

| PARTICULARS                                                                                                                          | PAGE NO.  |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------|
| The audited consolidated and standalone Financial Statements for the year ended March 31, 2025 (Restated) along with audit report    | 153 – 306 |
| The audited standalone Financial Statements for the financial year ended March 31, 2024, and March 31, 2023 along with audit reports | 307 – 360 |

# 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.

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



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

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### 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><br/>(Refer Notes 2.2(a), 2.4(a) and 23 to the Consolidated Financial Statements).<br/>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.<br/>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> |





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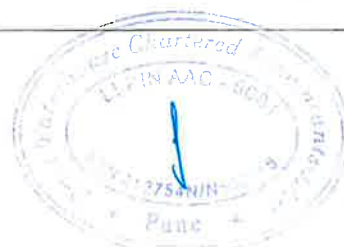
| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 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></p> <p>(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> |



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| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| of receivables, we have determined this to be a key audit matter.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <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>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |



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| 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.

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### **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.

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- 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.



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### 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.

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## 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:



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- 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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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/N500015

**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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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><br>(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<br/>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>                                                                                  | 31    |                                      |                                                     |
| Current tax                                                                                                          |       | 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<br/>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<br/>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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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

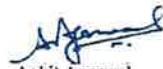
Membership Number : 107038

Place: Mumbai

Date: June 30, 2025

For and on behalf of the board of directors of

STL Networks Limited



Ankit Agarwal

Vice Chairman &amp;

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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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

CTN : U72900PN2021PLC199875

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

| Particulars                                     | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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 &amp;

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 ~8)<br>(Equity Share Capital Suspense Account) | 15       | 97.98  |
| Cancellation of equity shares pursuant to scheme of arrangement (refer note ~8)                                         | 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 ~8) | Retained Earnings |                                                                                  |         |                          |
| As at April 01, 2023                                                                              |                                |                                 | (0.02)            |                                                                                  | (0.02)  | -                        |
| Pursuant to scheme of arrangement (refer note ~8)                                                 | -                              | 332.48                          | -                 | 0.80                                                                             | 833.28  | 4.13                     |
| Profit / (loss) for the year                                                                      | -                              | -                               | 13.48             | -                                                                                | 13.48   | (6.43)                   |
| 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)  | -                        |
| Total comprehensive income / (loss) for the year                                                  | -                              | 832.48                          | 12.83             | (4.87)                                                                           | 840.44  | (2.32)                   |
| 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    | -                        |
| As at March 31, 2024 (Unaudited)                                                                  | 1.94                           | 832.48                          | 10.49             | (4.87)                                                                           | 840.04  | -                        |
| 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    | -                        |
| Total comprehensive income / (loss) for the year                                                  | -                              | -                               | (31.49)           | 0.30                                                                             | (31.19) | -                        |
| Employees share based payment expense for the year                                                | 1.29                           | -                               | -                 | -                                                                                | 1.29    | -                        |
| As at March 31, 2025                                                                              | 3.23                           | 832.48                          | (21.00)           | (4.57)                                                                           | 810.14  | -                        |

 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


  
Gopal Rastogi  
Chief Financial Officer

 Place: Gurugram  
Date: June 11, 2025



 Pankaj Malik  
CEO and Whole Time  
Director  
DIN : 10949402

 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:

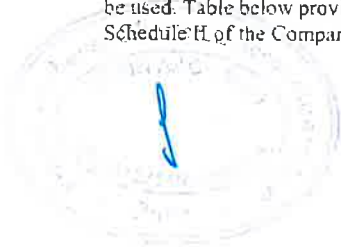
The Group assesses each contract with customers to determine whether a significant financing component exists in the transaction price. If the timing of payments agreed upon provides the customer with a significant benefit of financing, the transaction price is adjusted to reflect the time value of money 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<br>&<br>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.



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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



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**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)                     | (0.24)           |                     | (0.34)      | (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 revalued 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<br>March 31, 2025 | As at<br>March 31, 2024<br>(Unaudited) |
|-------------------------------------------------------------|-------------------------|----------------------------------------|
| <b>Buildings</b>                                            |                         |                                        |
| Cost                                                        |                         |                                        |
| Opening balance                                             | 37.59                   | -                                      |
| Takenover 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>                                             |                         |                                        |
| Accumulated depreciation                                    |                         |                                        |
| Opening balance                                             | 23.01                   | -                                      |
| Takenover 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 are as follows:

| Particulars              | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>March 31, 2025 | As at<br>March 31, 2024<br>(Unaudited) |
|-------------------------------------------------------------|-------------------------|----------------------------------------|
| Opening balance                                             | 18.76                   | -                                      |
| Takenover 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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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<br>(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     | 0.30        | 1.32                   | 1.62   | 2.26                       |
| Disposals/Adjustments                                       | -        | 8.84        | 39.13                  | 52.22  | 66.95                      |
| Translation adjustments                                     | -        | -           | -                      | -      | -                          |
| <b>As at March 31, 2025</b>                                 |          |             |                        |        |                            |
| Translation adjustments                                     | -        | 0.46        | 2.03                   | 2.49   | 3.48                       |
| Disposals/Adjustments                                       | 4.25     | 9.30        | 41.16                  | 54.71  | 70.43                      |
| <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     | 0.13        | 0.26                   | 0.39   | -                          |
| Disposals/Adjustments                                       | 0.17     | 4.94        | 10.43                  | 18.63  | -                          |
| Translation adjustments                                     | -        | 1.67        | 4.27                   | 6.11   | -                          |
| <b>As at March 31, 2025</b>                                 |          |             |                        |        |                            |
| Translation adjustments                                     | 0.04     | 0.62        | 0.39                   | 1.05   | -                          |
| Disposals/Adjustments                                       | 3.47     | 7.23        | 15.09                  | 25.79  | -                          |
| <b>Net Book Value :</b>                                     |          |             |                        |        |                            |
| <b>As at March 31, 2025</b>                                 | 0.78     | 2.07        | 26.07                  | 28.92  | 70.43                      |
| <b>As at March 31, 2024 (Unaudited)</b>                     | 0.99     | 3.90        | 28.70                  | 33.59  | 66.95                      |





**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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>(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:**

- i) The Group has complied with the number of layers prescribed under the Companies Act, 2013.  
ii) 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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>as at<br>March 31, 2024<br>(Unaudited) | Percentage to the<br>total loans and<br>Advances in the<br>nature of loan |
|--------------------------------------|--------------------------------------------------------------|---------------------------------------------------------------------------|
| <b>Amounts repayable on demand :</b> |                                                              |                                                                           |
| <b>Related parties</b>               |                                                              |                                                                           |
| STL Solutions Germany GmbH           | 2.58                                                         | 48%                                                                       |
| Sterlite Conduspar Industries Ltd    | 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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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: ₹ 4.18) 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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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                                   |
| <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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(Unaudited) |
|-------------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------|
| Profit or loss section                                                  |                                      |                                                     |
| 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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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>             | <b>-</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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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)**

|                                                  |                 |                 |
|--------------------------------------------------|-----------------|-----------------|
| Contract assets (unsecured, considered good)     |                 |                 |
| 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> |
| Undisputed                                       | 1,138.51        | 1,341.98        |
| 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 include ₹ 155.74 (March 31, 2024 : ₹ 155.74) and ₹ 155.51 (March 31, 2024 : ₹ 155.51), 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 ₹ 125.58 (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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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:**

- a) 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.
- b) 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.
- c) 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.
- d) 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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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:**

- a) 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.
- b) 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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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:**

|                                                                                     | As at March 31, 2025 |           | As at March 31, 2024 (Unaudited) |           |
|-------------------------------------------------------------------------------------|----------------------|-----------|----------------------------------|-----------|
|                                                                                     | Number of Shares     | % holding | Number of Shares                 | % holding |
| <b>Immediate Holding Company</b>                                                    |                      |           |                                  |           |
| 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%                                |                      |
| Total                                 | 21,54,43,766     | 44.16%                               | 100.00%              |

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

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

|                                              |          |          |
|----------------------------------------------|----------|----------|
| Current                                      |          |          |
| Financial Assets                             |          |          |
| Pari Passu Charge                            |          |          |
| Trade Receivables                            | 903.94   | 814.06   |
| Cash and Cash Equivalents                    | 200.00   | 50.00    |
| Other Current Financial Assets               | 8.66     | 32.21    |
| Non Financial Assets                         |          |          |
| Pari Passu Charge                            |          |          |
| Inventories                                  | 39.61    | 41.71    |
| Contract Assets                              | 1,226.65 | 1,407.15 |
| Other Current Assets                         | 97.22    | 103.17   |
| Total Current Assets pledged as security     | 2,476.08 | 2,448.30 |
| Non Current Assets                           |          |          |
| Pari Passu Charge                            |          |          |
| Plant & Machinery                            | 0.95     | 2.19     |
| Furnitures & Fixtures                        | 4.50     | 5.77     |
| Data Processing Equipments                   | 2.04     | 3.00     |
| Office Equipments                            | 0.78     | 1.28     |
| Electrical Fittings                          | 0.73     | 1.55     |
| Vehicles                                     | 0.61     | 0.78     |
| Total Non Current Assets pledged as security | 9.61     | 14.57    |
| Total Assets pledged as security             | 2,485.69 | 2,462.87 |



**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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>Undisputed                              | Others<br>Undisputed | MSME<br>Undisputed               | Others<br>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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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                                              |
|                                                                                  | <u>1,178.27</u>                      | <u>1,452.67</u>                                     |
| <b>Other operating income</b>                                                    |                                      |                                                     |
| Income from sale of services (refer note 47)                                     | 1.45                                 | 21.85                                               |
| <b>Total Revenue from operations</b>                                             | <b>1,179.72</b>                      | <b>1,474.52</b>                                     |

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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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>                  | <b>6.91</b>                          | <b>1.42</b>                                         |

**25 Other direct costs**

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

**26 Employee benefits expense**

| Particulars                                           | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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>                 | <b>172.63</b>                        | <b>223.00</b>                                       |

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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>March 31, 2025 | As at<br>March 31, 2024<br>(Unaudited) |
|-------------------------------------------------------------|-------------------------|----------------------------------------|
| Defined benefit obligation at the beginning of the year     | 7.28                    | -                                      |
| Takenover 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<br>March 31, 2025 | As at<br>March 31, 2024<br>(Unaudited) |
|-------------------------------------------------------------|-------------------------|----------------------------------------|
| Fair value of plan assets at the beginning of the year      | 1.30                    | -                                      |
| Takenover 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<br>March 31, 2025<br>% | As at<br>March 31, 2024<br>(Unaudited)<br>% |
|-----------------------|------------------------------|---------------------------------------------|
| 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<br>March 31, 2025 | As at<br>March 31, 2024<br>(Unaudited) |
|---------------------------------------------|-------------------------|----------------------------------------|
| Present value of defined benefit obligation | 7.34                    | 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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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<br>March 31, 2025                             | As at<br>March 31, 2024<br>(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<br>mortality 2012-<br>14(Urban) | India assumed lives<br>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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>(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<br>(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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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                                        |
| Earnings per share (Face value of ₹ 2.00 each)                                                   |                                      |                                                     |
| 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<br>as on March 31,<br>2025 | Effective ownership as on<br>March 31, 2024<br>(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, 2025. 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<br>March 31, 2025 | As at<br>March 31, 2024<br>(Unaudited) |
|------------------------------|-------------------------|----------------------------------------|
| <b>Disputed liabilities</b>  |                         |                                        |
| (a) Excise and Customs duty* | 1.53                    | 1.53                                   |
| (b) Goods and Service tax*   | 10.82                   | -                                      |
|                              | 12.35                   | 1.53                                   |

\* 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.



**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 Sierlie 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 MSMED 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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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                   | 93.55                                  |
| 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 360 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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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<br>Basis Points | Effect on profit<br>before tax / pre-tax<br>equity Decrease/<br>(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>-</b>    | <b>-</b>    |
| <b>Financial Liabilities</b>                               |               |             |             |
| Trade payable                                              | -             | 1.32        | 0.25        |
| <b>Net Exposure to foreign currency risk (Liabilities)</b> | <b>-</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>-</b>    | <b>-</b>    |
| <b>Financial Liabilities</b>                               |               |             |             |
| Trade payable                                              | -             | 1.24        | 0.25        |
| <b>Net Exposure to foreign currency risk (Liabilities)</b> | <b>-</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<br>March 31, 2025 | As at<br>March 31, 2024<br>(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)                                |
| Carrying amount of trade receivable (net of provision) | 901.25                  | 845.84                                 |
| Carrying amount of contract assets (net of provision)  | 1,233.25                | 1,436.72                               |

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

| Particulars                                                             | Contract Assets | Trade Receivables |
|-------------------------------------------------------------------------|-----------------|-------------------|
| Loss Allowance as on April 01, 2023                                     | -               | -                 |
| Takenover 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                                 | -               | -                 |
| Loss Allowance as on March 31, 2024                                     | (61.00)         | (2.32)            |
| Increase in loss allowance recognised in profit or loss during the year | -               | -                 |
| Loss allowance utilised during the year                                 | -               | -                 |
| Loss Allowance as on March 31, 2025                                     | (61.00)         | (2.32)            |

**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)

**(c) 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<br>(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          | -                    | -     | 212.13          | -                                   | -     | 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 approximated their fair value largely due to the interest rates being variable or in case 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 proprietor 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**

Industan 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 Limiteda)

**(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. Badri Gomati - 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 Baisul - 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) |
|        | Transaction during the period       |                |                            |                 |                            |                     |                            |                           |                            |                |                            |
| 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                      |
|        |                                     |                |                            |                 |                            |                     |                            |                           |                            |                |                            |
| 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) |
|        | Outstanding Balances                |                |                            |                 |                            |                     |                            |                           |                            |                |                            |
| 1      | Loans                               | -              | -                          | -               | -                          | -                   | 2.58                       | -                         | 2.80                       | -              | 5.38                       |
| 2      | Investment                          | -              | -                          | -               | -                          | -                   | 0.22                       | -                         | 0.22                       | -              | 0.22                       |
| 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 Remuneration (refer note (D) below)</b> |                             |                   |                |                            |
|                                              | Mr. Pankaj Malik            | KMP               | 0.56           | -                          |
|                                              | Mr. Gopal Chandra Rastogi   | KMP               | 0.96           | 0.75                       |
|                                              | Mr. Praveen Cheriai         | 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 Revenue from operations</b>             |                             |                   |                |                            |
|                                              | Vedanta Limited             |                   |                |                            |
|                                              | Talwandi Suho Power Limited | Fellow Subsidiary | 0.24           | -                          |
|                                              | Hindustan Zinc Limited      | Fellow Subsidiary | 0.71           | -                          |
|                                              | <b>Total</b>                |                   | <b>0.95</b>    | <b>0.71</b>                |



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**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<br>(unaudited) |
|--------|-----------------------------------------------|-------------------|----------------|-------------------------------|
| 3      | Other operating income                        |                   |                |                               |
|        | STL Digital Limited                           |                   |                | 7.91                          |
|        | Sterlite Technologies Limited                 | Fellow Subsidiary | 1.40           | 13.71                         |
|        | Total                                         | Holding Company   | 1.40           | 21.62                         |
| 4      | Purchase of goods & services                  |                   |                |                               |
|        | Sterlite Technologies Limited                 |                   |                |                               |
|        | STL Digital Limited                           | Holding Company   | 18.76          | 17.34                         |
|        | Sterlite Tech Cables Solutions Limited        | Fellow Subsidiary | 7.41           | 1.85                          |
|        | Total                                         | Fellow Subsidiary | 48.27          | 46.23                         |
|        |                                               |                   | 74.44          | 65.42                         |
| 5      | Corporate allocation                          |                   |                |                               |
|        | Sterlite Technologies Limited (refer note 28) |                   |                |                               |
|        | Total                                         | Holding Company   | 17.49          | 27.32                         |
|        |                                               |                   | 17.49          | 27.32                         |

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

| Particulars                                                | March 31, 2025 | March 31, 2024<br>(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 with effect from 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.





**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<br>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<br>March 31, 2025<br>(Unaudited) | As at<br>March 31, 2024<br>(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<br>March 31, 2025 | Effective ownership as on<br>March 31, 2024 | Country of<br>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<br>Clearcomm<br>(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<br>Clearcomm<br>(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<br>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<br>March 31, 2025 | For the year ended<br>March 31, 2024<br>(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>                                     |
| <b>Particulars</b>                                       | <b>As at<br/>March 31, 2025</b>      | <b>As at<br/>March 31, 2024<br/>(Unaudited)</b>     |
| <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/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



# Price Waterhouse Chartered Accountants LLP

## Independent Auditors' Report

### To the Members of STL Networks Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of STL Networks Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2025, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

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

#### Emphasis of matter

4. We draw attention to Note 44 to the standalone financial statements regarding the Scheme of Arrangement (the "Scheme") between the 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 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 standalone 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 and accordingly, the comparative financial information in the standalone financial statements have been restated. Our opinion is not modified in respect of this matter.

Price Waterhouse Chartered Accountants LLP, 7th Floor, Tower A - Wing 1, 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 Audit of the Standalone Financial Statements  
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### Key audit matters

5. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 22 to the Standalone Financial Statements).</p> <p>The Company enters into contracts for Telecom and IT network /systems 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.</p> <p>In respect of these contracts, the Company 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> </ul> <p>Further, for contracts where revenue is recognised over a period of time, the Company makes estimates which impact the revenue recognition. Such estimates include, but are not limited to:</p> <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> | <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</li> </ul> </li> </ul> |



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of STL Networks Limited  
Report on Audit of the Standalone Financial Statements  
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| 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.</p> <p>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 Company 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>consideration (claims on account of scope change/ price changes) by reviewing the contractual 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 standalone financial statements.</li> </ul>                                                                                                                        |
| <p><b>b. Recoverability of contract assets and trade receivables</b></p> <p>(Refer Notes 2.2(f), 2.4(e), 10 and 12 to the Standalone Financial Statements)</p> <p>The Company has trade receivables and contract assets amounting to INR 903.94 crores and INR 1,226.65 crores as at March 31, 2025, respectively.</p> <p>The Company 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>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 Company.</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> </ul> |

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

To the Members of STL Networks Limited  
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| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>In view of management judgement involved and considering the nature and extent of audit procedures to assess the recoverability of receivables, we have determined this to be a key audit matter.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>Inquiring with the Company's inhouse legal counsel regarding the status of disputes and disputed dues and perusing the external legal opinions wherever obtained by the management.</li> <li>Assessing adequacy of the disclosures in the standalone financial statements</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p><b>c. Impairment assessment of</b></p> <ul style="list-style-type: none"> <li><b>- carrying value of investment in STL UK Holdco Limited</b></li> <li><b>- loans given to STL UK Holdco Limited and Sterlite Technologies UK Ventures Limited; and</b></li> <li><b>- financial guarantee given to the bank for loan taken by STL UK Holdco Limited</b></li> </ul> <p>(Refer Notes 2.2 (f), 2.4 (c), 2.4 (d), 6 and 7 to the Standalone Financial Statements)</p> <p>The networth of STL UK Holdco Limited and Sterlite Technologies UK Ventures Limited is eroded as at March 31, 2025, due to losses incurred. The carrying amount of investments in equity shares of and loans granted to STL UK Holdco Limited as at March 31, 2025 amounted to INR 25.75 crores and INR 57.16 crores, respectively. Further, the carrying amount of loans granted to Sterlite Technologies UK Ventures Limited as at March 31, 2025, amounted to INR 260.34 crores.</p> <p>The Company accounts for investments in subsidiaries at cost (less accumulated impairment, if any) and tests the carrying amounts for impairment by making an estimate of the recoverable amount, being the higher of fair value less costs to sell and value in use, based on the value in use approach determined using discounted forecast cash flow model.</p> <p>The discounted cash flow model involves judgements with certain key inputs like future cashflows, discount rates, terminal growth rate, economic factors etc. incorporated in the valuation.</p> | <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>Understanding and evaluating the design and testing of operating effectiveness of key controls around management's assessment of impairment of investments, loans and guarantees;</li> <li>Evaluating the information based on which the impairment indicators are identified such as financial conditions, orders in hand and market conditions in which these entities operate;</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.</li> <li>Evaluating the cash flow forecasts by comparing them to budgets, actual past results and our understanding of internal and external factors affecting the Company's business;</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 lead to impairment;</li> </ul> |



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

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| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | How our audit addressed the key audit matter                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>For assessment of impairment loss on loans given and financial guarantee, the management applies the principles of Ind AS 109 "Financial Instruments" to determine whether any provision for expected credit losses ('ECL') is required, considering the expected manner of recovery over a period and other variables considered in the ECL model. The management reviews the expected credit loss on these loans by assessing the respective entities' ability to repay the loans and guaranteed amounts.</p> <p>We determined this to be a key audit matter due to significant management judgement and estimates involved in estimation of the recoverable amount.</p> | <ul style="list-style-type: none"><li>• Evaluating management's assessment of credit risk and appropriateness of information used in the estimation of expected credit loss;</li><li>• Assessing the adequacy of disclosures in the standalone financial statements.</li></ul> |

### Other Information

6. The 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 standalone financial statements and our auditor's 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 standalone 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 standalone 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 standalone 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.

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

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

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estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

### **Auditors' responsibilities for the audit of the standalone financial statements**

10. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

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- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  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 standalone 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.

### Report on other legal and regulatory requirements

15. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
16. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, 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 and the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
  - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone 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 as on March 31, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164(2) of the Act.

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

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- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 16(b) above.
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 36 to the standalone financial statements;
  - ii. The Company was not required to recognise a provision as at March 31, 2025 under the applicable law or Indian Accounting Standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2025.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2025.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 7 to the standalone 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 Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 16 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITORS' REPORT

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- vi. Based on our examination, which included test checks, the 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 Company pursuant to Scheme of arrangement referred in Note 44 to the standalone 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;
  - (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 Company as per the statutory requirements for record retention.

17. The 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 Company.

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



Sachin Parekh  
Partner  
Membership Number: 107038  
UDIN: 25107038BMOZGV6207  
Place: Mumbai  
Date: June 30, 2025



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the members of STL Networks Limited on the standalone financial statements as of and for the year ended March 31, 2025  
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### Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of STL Networks Limited ("the Company") as of March 31, 2025, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 16(g) of the Independent Auditor's Report of even date to the members of STL Networks Limited on the standalone financial statements as of and for the year ended March 31, 2025  
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### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, 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 Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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



Sachin Parekh  
Partner  
Membership Number: 107038  
UDIN: 25107038BMOZGV6207  
Place: Mumbai  
Date: June 30, 2025

## Price Waterhouse Chartered Accountants LLP

### Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of STL Networks Limited on the standalone financial statements for the year ended March 31, 2025

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In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.  
  
(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The Company does not own any immovable properties (Refer Note 3 to the standalone financial statements). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and Intangible Assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or Intangible Assets does not arise. (Also refer note 3 to the Standalone Financial Statements).
- (e) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements does not arise.
- ii. (a) As at March 31, 2025, the Company's inventory is entirely lying with third parties which have substantially been confirmed by them. No discrepancies were noticed in the inventory confirmed by third parties as compared to book records.
- (b) The Company does not have any sanctioned working capital limits from banks and financial institutions as at March 31, 2025. Sterlite Technologies Limited (the "Demerged Company") and the Company are in process of obtaining separate working capital limits from banks and financial institutions consequent to the Scheme of Arrangement approved by the National Company Law Tribunal as described in Note 44 to the standalone financial statements. In respect of Demerged Company's existing limits in excess of INR 5 crores, in aggregate, sanctioned on the basis of security of current assets, the Demerged Company had filed returns or statements for the quarter ended March 31, 2025, as applicable to the Company, with such banks and financial institutions based on information shared by the Company with the Demerged Company, which, are in agreement with the unaudited books of accounts. Also, refer note 16 to the Standalone Financial Statements.

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## Price Waterhouse Chartered Accountants LLP

### Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of STL Networks Limited on the standalone financial statements for the year ended March 31, 2025

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- iii. (a) The Company has granted unsecured loans to one company. The aggregate amount during the year and balance outstanding at the balance sheet date with respect to such loans to a subsidiary are as per the table given below:

| Amount in INR Crores                                                                      |        |
|-------------------------------------------------------------------------------------------|--------|
|                                                                                           | Loans* |
| Aggregate amount granted/ provided during the year<br>- Subsidiary                        | 26.99  |
| Balance outstanding as at balance sheet date in respect of the above case<br>- Subsidiary | 57.16  |

\*The loans during the year were granted by Sterlite Technologies Limited (the "Demerged Company") and transferred to the Company pursuant to the Scheme of arrangement (refer note 7 to the Standalone Financial Statements).

- (b) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
- (c) In respect of the loans, the schedule of repayment of principal and payment of interest has been stipulated as repayable on demand, however, the repayment of principal and interest has not been demanded by the Company during the year.
- (d) In respect of the loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans which have fallen due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.
- (f) Following loans were granted during the year, including to related parties under Section 2(76), which are repayable on demand.

| Amount in INR Crores                                              |             |           |                 |
|-------------------------------------------------------------------|-------------|-----------|-----------------|
|                                                                   | All Parties | Promoters | Related Parties |
| Aggregate of loans                                                |             |           |                 |
| - Repayable on demand (A)                                         | 26.99       | Nil       | 26.99           |
| - Agreement does not specify any terms or period of repayment (B) | Nil         | Nil       | Nil             |
| Total (A+B)                                                       | 26.99       | Nil       | 26.99           |
| Percentage of loans to the total loans granted during the year    | 100%        | Nil       | 100%            |

(Also, refer Note 7 to the standalone financial statements)

## Price Waterhouse Chartered Accountants LLP

### Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of STL Networks Limited on the standalone financial statements for the year ended March 31, 2025

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- iv. In our opinion, the Company has complied with the provisions of Section 186 of the Act in respect of the loans and investments made and guarantees or security provided by it. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products and services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other statutory dues, as applicable, with the appropriate authorities.
- (b) The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2025, which have not been deposited on account of a dispute, are as follows:

| Name of the statute              | Nature of dues         | Amount (in INR Crores) | Period to which the amount relates       | Forum where the dispute is pending |
|----------------------------------|------------------------|------------------------|------------------------------------------|------------------------------------|
| The Customs Act, 1962            | Customs Duty           | 1.53                   | 2013-14                                  | CESTAT                             |
| The Goods and Services Tax, 2017 | Goods and Services tax | 10.50                  | 2019-20<br>2020-21                       | Appellate Authority                |
|                                  |                        | 0.32                   | 2017-18<br>2018-19<br>2019-20<br>2020-21 | Assistant commissioner of GST      |

(Also refer note 36 (a) to the standalone financial statements)

- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not obtained any term loans during the year ended March 31, 2025 and there was no unutilized balance of term loan obtained in earlier years as on April 1, 2024. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

## Price Waterhouse Chartered Accountants LLP

### Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of STL Networks Limited on the standalone financial statements for the year ended March 31, 2025

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- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.
  - (e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint venture.
  - (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint venture.
  - x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
  - (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
  - xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
  - (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
  - (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause. As explained by the management, there were certain complaints in respect of which investigations are ongoing as on the date of our report and our consideration of the complaints having any bearing on our audit is based on the information furnished to us by the management.
  - xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

## Price Waterhouse Chartered Accountants LLP

### Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of STL Networks Limited on the standalone financial statements for the year ended March 31, 2025

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- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. Further, the Company was not required to constitute an Audit Committee under Section 177 of the Act during the year. In respect of the transactions during the year with related parties which were entered into by Sterlite Technologies Limited (the "Demerged Company") and are now reflected in the standalone financial statements of the Company pursuant to the accounting impact of the Scheme of Arrangement approved by the National Company Law Tribunal given in accordance with Appendix C 'Business combinations of entities under common control' to Ind AS 103 'Business Combinations', as described in Note 44 to the standalone financial statements, the Demerged Company has ensured compliance with Section 188 of the Act based on information shared with the Company by the Demerged Company. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. In our opinion, the Company does not have an internal audit system and was not required to have an internal audit system as per provisions of the Act during the year.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) In our opinion, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year but had incurred cash losses of INR 0.02 crores in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

## Price Waterhouse Chartered Accountants LLP

### Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of STL Networks Limited on the standalone financial statements for the year ended March 31, 2025

Page 6 of 6

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- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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



Sachin Parekh  
Partner  
Membership Number: 107038  
UDIN: 25107038BMOZGV6207  
Place: Mumbai  
Date: June 30, 2025

**STL NETWORKS LIMITED**

Standalone Balance Sheet as at March 31, 2025

CIN : U72900PN2021PLC199875

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

| Particulars                                                            | Notes | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated)* |
|------------------------------------------------------------------------|-------|-------------------------|----------------------------------------|
| <b>Assets</b>                                                          |       |                         |                                        |
| <b>I Non-current assets</b>                                            |       |                         |                                        |
| Property, plant and equipment                                          | 3     | 11.14                   | 16.44                                  |
| Right-of-use assets                                                    | 4     | 12.36                   | 12.64                                  |
| Intangible assets                                                      | 5     | 0.77                    | 0.94                                   |
| Financial assets                                                       |       |                         |                                        |
| (i) Investments                                                        | 6     | 25.79                   | 25.79                                  |
| (ii) Loans                                                             | 7     | 310.33                  | 251.72                                 |
| (iii) Other financial assets                                           | 8     | 2.12                    | 2.96                                   |
| Deferred tax assets (net)                                              | 9A    | 37.75                   | 37.85                                  |
| Income tax assets (net)                                                | 9B    | 6.21                    | -                                      |
| Other non-current assets                                               | 10    | 68.13                   | 80.56                                  |
| <b>Total non-current assets</b>                                        |       | <b>474.60</b>           | <b>428.90</b>                          |
| <b>II Current assets</b>                                               |       |                         |                                        |
| Inventories                                                            | 11    | 39.61                   | 41.71                                  |
| Financial assets                                                       |       |                         |                                        |
| (i) Trade receivables                                                  | 12    | 903.94                  | 814.06                                 |
| (ii) Cash and cash equivalents                                         | 13    | 200.01                  | 50.02                                  |
| (iii) Other financial assets                                           | 8     | 8.66                    | 32.21                                  |
| Contract assets                                                        | 10    | 1,226.65                | 1,407.15                               |
| Other current assets                                                   | 10    | 97.22                   | 103.17                                 |
| <b>Total current assets</b>                                            |       | <b>2,476.09</b>         | <b>2,448.32</b>                        |
| <b>Total assets</b>                                                    |       | <b>2,950.69</b>         | <b>2,877.22</b>                        |
| <b>Equity and Liabilities</b>                                          |       |                         |                                        |
| <b>I Equity</b>                                                        |       |                         |                                        |
| Equity share capital (including equity share capital suspense account) | 14    | 97.58                   | 97.58                                  |
| Other equity                                                           | 15    | 1,066.27                | 1,033.60                               |
| <b>Total equity</b>                                                    |       | <b>1,163.85</b>         | <b>1,131.18</b>                        |
| <b>Liabilities</b>                                                     |       |                         |                                        |
| <b>II Non-current liabilities</b>                                      |       |                         |                                        |
| Financial liabilities                                                  |       |                         |                                        |
| (i) Borrowings                                                         | 16    | 23.05                   | 40.77                                  |
| (ii) Lease liabilities                                                 | 4     | 13.35                   | 14.98                                  |
| Employee benefit obligations                                           | 21    | 2.08                    | 3.36                                   |
| <b>Total non-current liabilities</b>                                   |       | <b>38.48</b>            | <b>59.11</b>                           |



**STL NETWORKS LIMITED**

Standalone Balance Sheet as at March 31, 2025

CIN : U72900PN2021PLC199875

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

| Particulars                                               | Notes | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated)* |
|-----------------------------------------------------------|-------|-------------------------|----------------------------------------|
| <b>III Current liabilities</b>                            |       |                         |                                        |
| Financial liabilities                                     |       |                         |                                        |
| (i) Borrowings                                            | 16    | 720.82                  | 281.50                                 |
| (ii) Lease liabilities                                    | 4     | 2.25                    | 1.66                                   |
| (iii) Trade payables                                      | 18    |                         |                                        |
| (a) total outstanding dues of micro and small enterprises |       | 94.51                   | 93.55                                  |
| (b) total outstanding dues other (iii)(a) above           |       | 813.51                  | 1,158.46                               |
| (iv) Other financial liabilities                          | 17    | 24.65                   | 21.11                                  |
| Contract liabilities                                      | 19    | 81.42                   | 123.07                                 |
| Other current liabilities                                 | 20    | 4.51                    | 0.71                                   |
| Income tax liabilities (net)                              | 9B    | 0.22                    | 0.22                                   |
| Employee benefit obligations                              | 21    | 6.47                    | 6.65                                   |
| <b>Total current liabilities</b>                          |       | <b>1,748.36</b>         | <b>1,686.93</b>                        |
| <b>Total liabilities</b>                                  |       | <b>1,786.84</b>         | <b>1,746.04</b>                        |
| <b>Total equity and liabilities</b>                       |       | <b>2,950.69</b>         | <b>2,877.22</b>                        |

\*Restated pursuant to scheme of arrangement (refer note 44)

Summary of material accounting policies

The accompanying notes are an integral part of the Standalone 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**

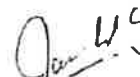
Vice Chairman &amp;

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**

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

CIN : U72900PN2021PLC198875

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

| Particulars                                                                                 | Notes | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated*) |
|---------------------------------------------------------------------------------------------|-------|------------------------------|---------------------------------------------|
| Revenue from operations                                                                     | 22    | 1,059.90                     | 1,302.93                                    |
| Other income                                                                                | 23    | 37.72                        | 22.99                                       |
| <b>Total income (I)</b>                                                                     |       | <b>1,097.62</b>              | <b>1,325.92</b>                             |
| <b>Expenses</b>                                                                             |       |                              |                                             |
| Cost of components and bought-outs consumed                                                 |       | 379.07                       | 427.43                                      |
| Other direct costs                                                                          | 24    | 439.15                       | 591.80                                      |
| Employee benefits expense                                                                   | 25    | 101.39                       | 120.92                                      |
| Net impairment losses on financial assets                                                   | 40    | -                            | 7.17                                        |
| Other expenses                                                                              | 26    | 40.21                        | 43.75                                       |
| <b>Total expenses (II)</b>                                                                  |       | <b>959.82</b>                | <b>1,191.07</b>                             |
| <b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (III) = I - II</b> |       | <b>137.80</b>                | <b>134.85</b>                               |
| Depreciation and amortisation expense                                                       | 28    | 8.35                         | 10.81                                       |
| Finance costs                                                                               | 29    | 84.08                        | 67.41                                       |
| <b>Profit before tax (IV)</b>                                                               |       | <b>45.37</b>                 | <b>56.63</b>                                |
| <b>Income tax expense/(credit):</b>                                                         | 30    |                              |                                             |
| Current tax                                                                                 |       | 14.50                        | 29.02                                       |
| Deferred tax                                                                                |       | (0.05)                       | (14.56)                                     |
| <b>Total Income tax expense (V)</b>                                                         |       | <b>14.45</b>                 | <b>14.46</b>                                |
| <b>Profit for the year (VI = IV - V)</b>                                                    |       | <b>30.92</b>                 | <b>42.17</b>                                |
| <b>Other comprehensive income / (loss)</b>                                                  |       |                              |                                             |
| Items that will not be reclassified to profit or loss in subsequent years:                  |       |                              |                                             |
| Remeasurements 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)(VII)</b>                                           |       | <b>0.46</b>                  | <b>(0.65)</b>                               |
| <b>Total comprehensive income for the year (VI + VII)</b>                                   |       | <b>31.38</b>                 | <b>41.52</b>                                |
| <b>Earnings per equity share (Amount in ₹) (Face value ₹ 2.00 per share)</b>                | 33    |                              |                                             |
| Basic earnings per share (₹)                                                                |       | 0.63                         | 0.86                                        |
| Diluted earnings per share (₹)                                                              |       | 0.63                         | 0.86                                        |

\*Restated pursuant to scheme of arrangement (refer note 44)

Summary of material accounting policies

2

 The accompanying notes are an integral part of the Standalone 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: 33091

 Place: Gurugram  
Date: June 11, 2025




**STL NETWORKS LIMITED**  
**Standalone Statement of Cash Flows for the year ended March 31, 2025**  
**CIN : U72900PN2021PLC199875**

| Particular                                                                | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated*) |
|---------------------------------------------------------------------------|------------------------------|---------------------------------------------|
| <b>Cash flow from operating activities</b>                                |                              |                                             |
| <b>Profit before tax</b>                                                  | <b>45.37</b>                 | <b>56.63</b>                                |
| Adjustments to reconcile profit before tax to net cash flows :            |                              |                                             |
| Depreciation and Amortisation expenses                                    | 8.35                         | 10.81                                       |
| Employee share based payment expenses                                     | 1.29                         | 1.94                                        |
| Finance costs (including interest pertaining to Ind AS 116)               | 84.08                        | 67.41                                       |
| Finance income                                                            | (17.80)                      | (13.51)                                     |
| Loss on disposal of property, plant and equipment                         | 0.10                         | -                                           |
| Net impairment losses on financial assets                                 | -                            | 7.17                                        |
| Provisions no longer required written back                                | (5.86)                       | -                                           |
| Unrealised Exchange difference, (net)                                     | (13.76)                      | (8.67)                                      |
| <b>Operating profit before working capital changes</b>                    | <b>101.77</b>                | <b>121.78</b>                               |
| <b>Working capital adjustments:</b>                                       |                              |                                             |
| Increase/(decrease) in trade payables                                     | (339.35)                     | 117.89                                      |
| Increase/(decrease) in provisions                                         | (0.85)                       | 1.47                                        |
| Increase/(decrease) in other liabilities                                  | 3.80                         | (7.36)                                      |
| Increase/(decrease) in other financial liabilities                        | (7.34)                       | (3.20)                                      |
| Increase/(decrease) in contract liabilities                               | (41.65)                      | (21.93)                                     |
| Decrease/(increase) in trade receivables                                  | (89.88)                      | (22.49)                                     |
| Decrease/(increase) in inventories                                        | 2.10                         | 1.71                                        |
| Decrease/(increase) in other financial assets                             | 24.41                        | 8.48                                        |
| Decrease/(increase) in contract assets                                    | 180.50                       | 191.24                                      |
| Decrease/(increase) in other assets                                       | 18.38                        | 29.85                                       |
| <b>Change in working capital</b>                                          | <b>(249.88)</b>              | <b>295.66</b>                               |
| <b>Cash generated from / (used in) operations</b>                         | <b>(148.11)</b>              | <b>417.44</b>                               |
| Income tax paid (net of refunds)                                          | (20.71)                      | (28.80)                                     |
| <b>Net cash inflow / (outflow) from operating activities (A)</b>          | <b>(168.82)</b>              | <b>388.64</b>                               |
| <b>B. Cash flows from investing activities</b>                            |                              |                                             |
| Purchase of property, plant and equipment and Intangible assets           | (0.58)                       | (1.14)                                      |
| Proceeds from sale of property, plant and equipment                       | (0.08)                       | (0.75)                                      |
| Loans to subsidiaries                                                     | (26.99)                      | (28.37)                                     |
| <b>Net cash inflow / (outflow) from investing activities (B)</b>          | <b>(27.65)</b>               | <b>(30.26)</b>                              |
| <b>C. Cash flows from financing activities</b>                            |                              |                                             |
| Proceeds from/(Repayments of) of long-term borrowings                     | (37.64)                      | 9.61                                        |
| Proceeds from/(Repayments of) short-term borrowings (net)                 | 459.24                       | (303.88)                                    |
| Interest paid (including interest pertaining to Ind AS 116)               | (73.20)                      | (62.92)                                     |
| Principal elements of lease payments                                      | (1.94)                       | (1.22)                                      |
| <b>Net cash inflow / (outflow) from financing activities (C)</b>          | <b>346.46</b>                | <b>(358.41)</b>                             |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>       | <b>149.99</b>                | <b>(0.03)</b>                               |
| Cash and cash equivalents as at the beginning of the year (refer note 13) | 50.02                        | 0.05                                        |
| Add: Takenover pursuant to scheme of arrangement (refer note 44)          | -                            | 50.00                                       |
| <b>Cash and cash equivalents as at the year end (refer note 13)</b>       | <b>200.01</b>                | <b>50.02</b>                                |



**STL NETWORKS LIMITED**

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

CIN : U72900PN2021PLC199875

| Particular                                      | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated*) |
|-------------------------------------------------|------------------------------|---------------------------------------------|
| <b>Components of cash and cash equivalents:</b> |                              |                                             |
| Balances with banks                             | 200.01                       | 50.02                                       |
| <b>Total cash and cash equivalents</b>          | <b>200.01</b>                | <b>50.02</b>                                |

\*Restated, pursuant to scheme of arrangement (refer note 44)

**Notes:**

- i) Non-cash financing and investing activities during the year pertain to acquisition of right to use assets of ₹ 2.09 (March 31, 2024: ₹ Nil)
- ii) The above standalone 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 Standalone 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 &amp;

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**
**Standalone 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 44)<br>(Equity Share Capital Suspense Account) | 14       | 97.58  |
| Cancellation of equity shares pursuant to scheme of arrangement (refer note 44)                                         | 14       | (0.10) |
| As at March 31, 2024 (Restated*)                                                                                        |          | 97.58  |
| Changes in equity share capital                                                                                         | 14       | -      |
| As at March 31, 2025                                                                                                    |          | 97.58  |

**B. OTHER EQUITY**

| Particulars                                                                  | Capital<br>Contribution<br>by Parent | Reserves and surplus               |                      | Total    |
|------------------------------------------------------------------------------|--------------------------------------|------------------------------------|----------------------|----------|
|                                                                              |                                      | Capital reserve<br>(refer note 44) | Retained<br>Earnings |          |
| As at April 01, 2023                                                         | -                                    | -                                  | (0.02)               | (0.02)   |
| Pursuant to scheme of arrangement (refer note 44)                            | -                                    | 990.16                             | -                    | 990.16   |
| Profit for the year                                                          | -                                    | -                                  | 42.17                | 42.17    |
| Other comprehensive income for the year                                      | -                                    | -                                  | -                    | -        |
| - Remeasurements gain/(loss) on defined employee benefits plans (net of tax) | -                                    | -                                  | (0.65)               | (0.65)   |
| Total comprehensive income for the year                                      | -                                    | -                                  | 41.52                | 41.52    |
| Employees share based payment expense for the year                           | 1.94                                 | -                                  | -                    | 1.94     |
| As at March 31, 2024 (Restated*)                                             | 1.94                                 | 990.16                             | 41.50                | 1,033.60 |
| Profit for the year                                                          | -                                    | -                                  | 30.92                | 30.92    |
| Other comprehensive income for the year                                      | -                                    | -                                  | -                    | -        |
| - Remeasurements gain/(loss) on defined employee benefits plans (net of tax) | -                                    | -                                  | 0.46                 | 0.46     |
| Total comprehensive income for the year                                      | -                                    | -                                  | 31.38                | 31.38    |
| Employees share based payment expense for the year                           | 1.29                                 | -                                  | -                    | 1.29     |
| As at March 31, 2025                                                         | 3.23                                 | 990.16                             | 72.88                | 1,066.27 |

\*Restated pursuant to scheme of arrangement (refer note 44)

 The accompanying notes are an integral part of the Standalone 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

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

### 1. Corporate information:

STL Networks Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered office of the Company is located at 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra- 411001, India.

The Company 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).

These standalone financial statements for the year ended March 31, 2025, have been approved for issue by the Board of Directors of the Company. Also refer note 44 to these standalone 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 standalone financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

#### 2.1 Basis of preparation

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

- Certain financial assets and liabilities (including derivative instruments) measured at fair value
- Share based payments
- Defined benefit plans - plan assets measured at fair value

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

The standalone financial statements of the Company 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 Company as per the Scheme referred to in Note 44 to maintain the Company'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 Company within the limits as approved by its Board of Directors.

#### New and amended standards adopted by the Company

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.

#### 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 Company 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.



## STL Networks Limited

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

### 2.2 Summary of material accounting policies

#### a) Revenue from contracts with customers

The Company has following streams of revenue:

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

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

The Company identifies distinct performance obligations in each contract. For most of the telecom and information technology (IT) networks / systems integration contracts, the customer contracts with the Company 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 Company 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 Company separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation based on the relative standalone selling price of each distinct service promised in the contract. Where standalone selling price is not observable, the Company 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 Company assesses for the timing of revenue recognition in case of each distinct performance obligation. The Company first assesses whether the revenue can be recognized over time as it performs if any of the following criteria is met:

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

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

The Company 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.

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 Company estimates variable consideration using the most likely amount to which it expects to be entitled. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The 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.





## STL Networks Limited

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

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 Company 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 Company 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 Company at every reporting period.

**Financing components:** The Company 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 company 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.

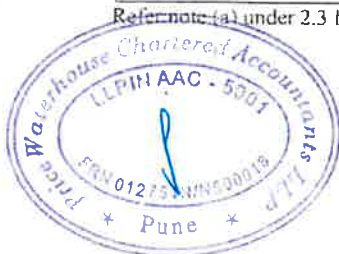
### b) Property, plant and equipment

Property, plant and equipment are stated at historical 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 company 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:

| 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<br>&<br>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.



## STL Networks Limited

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

### c) Leases

#### As a Lessee:

The Company leases 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 company. 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 Company 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 are 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.

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 company. 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 Company and not by the respective lessor.

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

### d) Impairment of non-financial assets

Non-financial assets 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.

### e) Other Income

#### Interest income

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



## STL Networks Limited

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

### f) Investments and Other Financial assets

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

The Company 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 Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

#### ➤ **Measurement:**

At initial recognition, the Company 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.

#### ➤ **Equity instruments**

Equity investment in subsidiaries is carried at historical cost as per the accounting policy choice given by Ind AS 27. Investments in subsidiaries are tested for impairment in accordance with Ind AS 36 Impairment of Assets. The carrying amount of the investment is tested for impairment by comparing its recoverable amount with its carrying amount, any impairment loss recognised reduces the carrying amount of the investment.

#### ➤ **Impairment of financial assets**

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

- 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.

The Company 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 Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.





## STL Networks Limited

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.
- ECL impairment loss allowance (or reversal), if any, recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the "net impairment losses on financial assets" in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:
- Financial assets measured as at amortised cost, contractual revenue receivables: 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 Company does not reduce impairment allowance from the gross carrying amount.
- For assessing increase in credit risk and impairment loss, the Company combines financial instruments 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 Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

Refer 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 is preserved and the reserves of the transferor become the reserves of the transferee.
- 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) Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.



## STL Networks Limited

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

The fair value of financial guarantees is determined based on the present value of the difference between the cash flows between the contractual payments required under the debt instrument and the payments that would be without the guarantee, or the estimated amount that would be payable to the third party for assuming the obligations.

Where the guarantees in relation to the loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

### 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 Company, 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.



## STL Networks Limited

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

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

### k) 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 Company 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.

### l) Presentation of EBITDA

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

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



## STL Networks Limited

Notes to standalone 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 Company 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 Company 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.

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.

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 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.

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.





## STL Networks Limited

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

### 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 components and bought outs 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 Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### f) 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 and sick 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 standalone financial statements for the year ended March 31, 2025

- **Post-employment obligations**

The 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 Company pays provident fund contributions to publicly administered provident funds as per local regulations. The 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 Company 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



## STL Networks Limited

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

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.

### 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 Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

### • Reclassification of financial assets

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

### h) Financial liabilities

#### • Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. 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.



## STL Networks Limited

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

### j) Foreign currency translation

#### Functional and presentation currency

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

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. 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.

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.

Intangible assets with finite lives are amortised over their useful economic lives on straight lined basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. 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.

Software has been amortized over the useful life of 8-10 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.

All intangible assets are amortised on a straight-line basis over a period of useful lives.

The Company does not have any intangible assets with indefinite useful lives.

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 Company's cash management.

### m) Earnings per share

#### Basic earnings per share

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





## STL Networks Limited

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

### 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.

#### n) Trade receivable

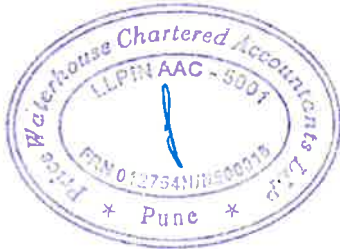
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the transaction price unless there are significant financing components, when they are recognised at fair value. The Company holds the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

#### o) Derivatives

The Company 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 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.

#### p) 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 Company for the period, the nature and amount of such items are disclosed separately as exceptional item by the Company.



## STL Networks Limited

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

### 2.4 Significant Accounting Judgements, Estimates and Assumptions

The preparation of standalone financial statements requires the use of accounting estimates. Management exercises judgement in applying the company'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 Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company 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 Company 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 Company uses judgement to determine an appropriate standalone selling price for a performance obligation (allocation of transaction price). The Company allocates the transaction price to each performance obligation based on the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost-plus reasonable margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company 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 company 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 31.



## STL Networks Limited

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

### c. Impairment of investments in subsidiaries

The Company accounts for investments in subsidiaries at cost (less accumulated impairment, if any). The carrying value of investments in subsidiaries at each reporting date are reviewed and assessed for impairment. The Company performs impairment assessment of investments by making an estimate of the recoverable amount, being the higher of fair value less costs to sell and its value in use which is then compared with the carrying value. An impairment loss is recognised in the statement of profit and loss to the extent the carrying value of an asset exceeds the recoverable amount.

The value in use of these investments is determined using discounted cash flow model (DCF model) requiring various assumptions and judgements. These include future cashflows and growth rate assumptions, discount rate, terminal growth rate and other economic and entity specific factors which are incorporated in the DCF model. The estimated cash flows are developed using internal forecasts.

### d. Impairment assessment of loans given to subsidiaries and financial guarantees (Expected credit loss)

The Company has given interest bearing loans to its subsidiaries which are repayable on demand. Further, external loan taken by a subsidiary is guaranteed by the Company. The loans and financial guarantees given to subsidiaries are reviewed and assessed for impairment at each reporting date under Ind AS 109. The inter-company loans have been provided to the subsidiaries for operational purposes and with an expectation of an extended gestation period. The Company intends to allow the subsidiaries to continue trading and thus reviews the cash flow forecasts to confirm whether the projections are in line with the initial expectations and whether the credit risk has increased significantly since initial recognition. The Company considers expected manner of recovery and recovery period of the loans to determine expected credit loss.

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

The Company 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 Company 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 the Standalone 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 44) | 27.45             | 10.11                | 26.36                      | 5.36             | 3.03                | 1.44        | 8.44                   | 82.19        |
| Additions                                                   |                   |                      | 0.09                       | 0.11             | 0.07                | 0.34        | 0.53                   | 1.14         |
| Disposals/ Adjustments                                      | (0.04)            | (0.02)               | (0.07)                     | (0.24)           | -                   | (0.34)      | -                      | (0.71)       |
| <b>As at March 31, 2024 (Restated)</b>                      | <b>27.41</b>      | <b>10.09</b>         | <b>26.38</b>               | <b>5.23</b>      | <b>3.10</b>         | <b>1.44</b> | <b>8.97</b>            | <b>82.62</b> |
| Additions                                                   |                   | 0.01                 | 0.06                       | 0.10             | -                   | 0.41        | -                      | 0.58         |
| Disposals/ Adjustments                                      |                   | (0.02)               | -                          | (0.06)           | -                   | (0.89)      | -                      | (0.97)       |
| <b>As at March 31, 2025</b>                                 | <b>27.41</b>      | <b>10.08</b>         | <b>26.44</b>               | <b>5.27</b>      | <b>3.10</b>         | <b>0.96</b> | <b>8.97</b>            | <b>82.23</b> |
| <b>Accumulated Depreciation</b>                             |                   |                      |                            |                  |                     |             |                        |              |
| <b>As at April 01, 2023</b>                                 |                   |                      |                            |                  |                     |             |                        |              |
| Takenover pursuant to scheme of arrangement (refer note 44) | 23.47             | 3.06                 | 22.09                      | 3.33             | 0.73                | 0.70        | 6.88                   | 60.26        |
| Charge for the year                                         | 1.76              | 1.27                 | 1.35                       | 0.69             | 0.82                | 0.22        | 1.49                   | 7.60         |
| Disposals/ Adjustments                                      | (0.01)            | (0.01)               | (0.06)                     | (0.07)           | -                   | (0.26)      | (1.27)                 | (1.68)       |
| <b>As at March 31, 2024 (Restated)</b>                      | <b>25.22</b>      | <b>4.32</b>          | <b>23.38</b>               | <b>3.95</b>      | <b>1.55</b>         | <b>0.66</b> | <b>7.10</b>            | <b>66.18</b> |
| Charge for the year                                         | 1.64              | 1.27                 | 1.02                       | 0.57             | 0.82                | 0.20        | 0.34                   | 5.86         |
| Disposals/ Adjustments                                      | (0.40)            | (0.01)               | -                          | (0.03)           | -                   | (0.51)      | -                      | (0.95)       |
| <b>As at March 31, 2025</b>                                 | <b>26.46</b>      | <b>5.58</b>          | <b>24.40</b>               | <b>4.49</b>      | <b>2.37</b>         | <b>0.35</b> | <b>7.44</b>            | <b>71.09</b> |
| <b>Net Book Value :</b>                                     |                   |                      |                            |                  |                     |             |                        |              |
| <b>As at March 31, 2025</b>                                 | <b>0.95</b>       | <b>4.50</b>          | <b>2.04</b>                | <b>0.78</b>      | <b>0.73</b>         | <b>0.61</b> | <b>1.53</b>            | <b>11.14</b> |
| <b>As at March 31, 2024 (Restated)</b>                      | <b>2.19</b>       | <b>5.77</b>          | <b>3.00</b>                | <b>1.28</b>      | <b>1.55</b>         | <b>0.78</b> | <b>1.87</b>            | <b>16.44</b> |

**Notes:**

- Refer note 16 for information on property, plant and equipment pledged as security by the Company.
- No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- There are no contractual commitments with respect to acquisition of property, plant and equipment, also refer note 35.
- The Company does not own any immovable property.
- The Company has not revalued its property, plant and equipment (including right-of-use of assets) or intangible assets on both during the current or previous year.



**STL NETWORKS LIMITED**
**Notes to the Standalone 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 Company are as follows:

| Particulars                                                 | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|-------------------------------------------------------------|-------------------------|---------------------------------------|
| <b>Buildings</b>                                            |                         |                                       |
| Cost                                                        |                         |                                       |
| Opening balance                                             | 33.16                   | -                                     |
| Takenover pursuant to scheme of arrangement (refer note 44) | -                       | 33.32                                 |
| Additions                                                   | 2.09                    | -                                     |
| Disposals/ Adjustments                                      | (17.46)                 | (2.16)                                |
| <b>Cost</b>                                                 | <b>17.79</b>            | <b>33.16</b>                          |
| <b>Building</b>                                             |                         |                                       |
| Accumulated depreciation                                    |                         |                                       |
| Opening balance                                             | 20.52                   | -                                     |
| Takenover pursuant to scheme of arrangement (refer note 44) | -                       | 17.78                                 |
| Charge for the year                                         | 2.32                    | 2.74                                  |
| Disposals/ Adjustments                                      | (17.41)                 | -                                     |
| <b>Accumulated depreciation</b>                             | <b>5.43</b>             | <b>20.52</b>                          |
| <b>Net Book Value</b>                                       | <b>12.36</b>            | <b>12.64</b>                          |

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

The note provides information for leases where the Company is a lessee. The Company 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 Company is as follows:

| Particulars              | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|--------------------------|-------------------------|---------------------------------------|
| <b>Lease liabilities</b> |                         |                                       |
| Non-current              | 13.35                   | 14.98                                 |
| Current                  | 2.25                    | 1.66                                  |
| <b>Total</b>             | <b>15.60</b>            | <b>16.64</b>                          |

**Movement of lease liability**

| Particulars                                                 | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|-------------------------------------------------------------|-------------------------|---------------------------------------|
| Opening balance                                             | 16.64                   | -                                     |
| Takenover pursuant to scheme of arrangement (refer note 44) | -                       | 20.69                                 |
| Add: Created during the year                                | 2.09                    | -                                     |
| Less: Disposal/ adjustment during the year                  | (1.19)                  | (2.83)                                |
| Add: Interest accrued during the year                       | 1.41                    | 1.50                                  |
| Less: Rent paid during the year                             | (3.35)                  | (2.72)                                |
| <b>Closing balance</b>                                      | <b>15.60</b>            | <b>16.64</b>                          |

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

| Particulars                                                                                   | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated) |
|-----------------------------------------------------------------------------------------------|------------------------------|--------------------------------------------|
| <b>Depreciation charge on right-of-use assets</b>                                             |                              |                                            |
| Buildings                                                                                     | 2.32                         | 2.74                                       |
| <b>Finance Cost</b>                                                                           |                              |                                            |
| Interest expenses on lease liabilities                                                        | 1.41                         | 1.50                                       |
| <b>Other Expenses</b>                                                                         |                              |                                            |
| Expenses related to short term leases (included as rent in other expenses)<br>(Refer note 36) | 1.94                         | 3.22                                       |
| <b>Total</b>                                                                                  | <b>5.67</b>                  | <b>7.46</b>                                |

The total cash outflow for leases for the year ended March 31, 2025 is ₹ 5.29 (March 31, 2024 - ₹ 5.94)

**Extension and Termination option :**

Extension and termination options are included in leases held by the Company. 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 Company and not by the respective lessor

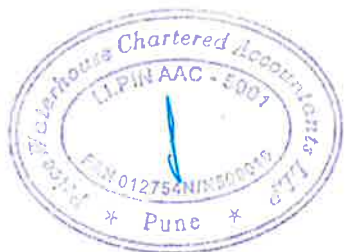


**STL NETWORKS LIMITED****Notes to the Standalone Financial Statements for the year ended March 31, 2025**

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

**5 Intangible Assets**

| Particulars                                                | Software |
|------------------------------------------------------------|----------|
| <b>Cost</b>                                                |          |
| As at April 01, 2023                                       | -        |
| Takeover pursuant to scheme of arrangement (refer note 44) | 4.39     |
| Additions                                                  | -        |
| Disposals/Adjustments                                      | (0.22)   |
| As at March 31, 2024 (Restated)                            | 4.17     |
| Disposals/Adjustments                                      | -        |
| As at March 31, 2025                                       | 4.17     |
| <b>Accumulated Amortization</b>                            |          |
| As at April 01, 2023                                       | -        |
| Takeover pursuant to scheme of arrangement (refer note 44) | 2.76     |
| Charge for the year                                        | 0.47     |
| Disposals/Adjustments                                      | -        |
| As at March 31, 2024 (Restated)                            | 3.23     |
| Charge for the year                                        | 0.17     |
| Disposals/Adjustments                                      | -        |
| As at March 31, 2025                                       | 3.40     |
| <b>Net Book Value :</b>                                    |          |
| As at March 31, 2025                                       | 0.77     |
| As at March 31, 2024 (Restated)                            | 0.94     |





**STL NETWORKS LIMITED**

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

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

**6 Non-current investments**

| Particulars                                                                                                                  | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------|
| <b>Non-current investments (unquoted)</b>                                                                                    |                         |                                       |
| <b>Investment in Subsidiaries</b>                                                                                            |                         |                                       |
| <b>Equity investments at cost (unquoted)</b>                                                                                 |                         |                                       |
| a) 5,000 (March 31, 2024 : 5,000) Equity shares of Sterlite Technologies UK Ventures Limited of Euro 1.00 each fully paid-up | 0.04                    | 0.04                                  |
| b) 25,00,000 (March 31, 2024 : 25,00,000) Equity shares of STL UK Holdco Limited, UK of GBP 1.00 each fully paid up          | 25.75                   | 25.75                                 |
| <b>Total non-current Investments</b>                                                                                         | <b>25.79</b>            | <b>25.79</b>                          |
| <b>Total non-current investments</b>                                                                                         |                         |                                       |
| Aggregate amount of quoted investment and market value thereof                                                               | -                       | -                                     |
| Aggregate amount of unquoted investments                                                                                     | 25.79                   | 25.79                                 |
| Amount of impairment in the value of investments                                                                             | -                       | -                                     |

**Notes:**

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

**7 Loans**

| Particulars                                          | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|------------------------------------------------------|-------------------------|---------------------------------------|
| <b>Non-current</b>                                   |                         |                                       |
| Loans to related parties (refer note 43)*            | 317.50                  | 258.89                                |
| Less : loss allowance                                | (7.17)                  | (7.17)                                |
|                                                      | <b>310.33</b>           | <b>251.72</b>                         |
| <b>Break-up for security details</b>                 |                         |                                       |
| Loans considered good - Secured                      | -                       | -                                     |
| Loans considered good - Unsecured                    | 317.50                  | 258.89                                |
| Loans which have significant increase in credit risk | -                       | -                                     |
| Loans - Credit impaired                              | -                       | -                                     |
| <b>Total</b>                                         | <b>317.50</b>           | <b>258.89</b>                         |
| Less : loss allowance                                | (7.17)                  | (7.17)                                |
| <b>Total</b>                                         | <b>310.33</b>           | <b>251.72</b>                         |

\*The loans to the subsidiaries were granted by Sterlite Technologies Limited (the Demerged Company) and transferred to the Company pursuant to the Scheme of arrangement (refer note 44)

Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under the Companies Act 2013):

| Type of Borrower                          | Amount outstanding<br>as at<br>March 31, 2025 | Percentage to the<br>total loans and<br>Advances in the<br>nature of loan |
|-------------------------------------------|-----------------------------------------------|---------------------------------------------------------------------------|
| <b>Amounts repayable on demand :</b>      |                                               |                                                                           |
| <b>Related parties</b>                    |                                               |                                                                           |
| Sterlite Technologies UK Ventures Limited | 260.34                                        | 82%                                                                       |
| STL UK Holdco Limited                     | 57.16                                         | 18%                                                                       |
| <b>Total</b>                              | <b>317.50</b>                                 | <b>100%</b>                                                               |



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

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

| Type of Borrower                          | Amount outstanding<br>as at<br>March 31, 2024<br>(Restated) | Percentage to the<br>total loans and<br>Advances in the<br>nature of loan |
|-------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------------------|
| <b>Amounts repayable on demand :</b>      |                                                             |                                                                           |
| <b>Related parties</b>                    |                                                             |                                                                           |
| Sierlite Technologies UK Ventures Limited | 233.47                                                      | 90%                                                                       |
| STL UK Holdco Limited                     | 25.42                                                       | 10%                                                                       |
| <b>Total</b>                              | <b>258.89</b>                                               | <b>100%</b>                                                               |

**Note**

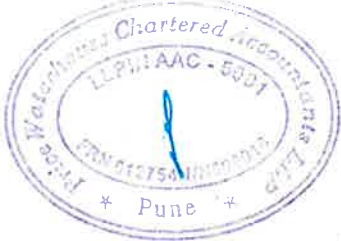
- i) Loans to subsidiaries were granted for meeting their working capital requirements. The loans given are repayable on demand and carries interest of SONIA + 2.66% ranging from 7.37% to 7.86% p.a. during the year (March 31, 2024: 6.99%).
- ii) The Company has not advanced or loaned or invested funds (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 (whether 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 Company ('ultimate beneficiaries') or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

**8 Other financial assets**

| Particulars                                     | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|-------------------------------------------------|-------------------------|---------------------------------------|
| <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                                | 3.06                    | 3.60                                  |
| Others*                                         | 5.60                    | 27.93                                 |
| <b>Total other current financial assets</b>     | <b>8.66</b>             | <b>32.21</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 16 for information on current assets pledged as security





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

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

**9A Deferred Tax Assets (net)**

| Particulars                                                                                                                                            | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------|
| <b>Deferred tax assets</b>                                                                                                                             |                         |                                       |
| Provision for contract assets and other assets                                                                                                         | 25.12                   | 25.12                                 |
| Expenditure allowed for tax purposes on payment basis                                                                                                  | 25.94                   | 26.47                                 |
| 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>57.08</b>            | <b>57.33</b>                          |
| <b>Deferred tax liabilities</b>                                                                                                                        |                         |                                       |
| Impact of difference in revenue recognition under income tax and Ind AS                                                                                | 15.83                   | 15.83                                 |
| Right of Use assets                                                                                                                                    | 3.50                    | 3.65                                  |
| <b>Total deferred tax liability (B)</b>                                                                                                                | <b>19.33</b>            | <b>19.48</b>                          |
| <b>Net deferred tax assets / (liability) (A-B)</b>                                                                                                     | <b>37.75</b>            | <b>37.85</b>                          |

**Reconciliation of deferred tax assets**

| Particulars                                                             | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|-------------------------------------------------------------------------|-------------------------|---------------------------------------|
| Opening deferred tax assets, net                                        | 37.85                   | -                                     |
| Takenover pursuant to scheme of arrangement (refer note 44)             | -                       | 23.07                                 |
| Deferred tax credit / (charge) recorded in statement of profit and loss | 0.05                    | 14.56                                 |
| Deferred tax credit / (charge) recorded in OCI                          | (0.15)                  | 0.22                                  |
| <b>Closing deferred tax assets, net</b>                                 | <b>37.75</b>            | <b>37.85</b>                          |

The major components of income tax expense for the year ended.

| Particulars                                                             | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated) |
|-------------------------------------------------------------------------|------------------------------|--------------------------------------------|
| <b>Profit or loss section</b>                                           |                              |                                            |
| Current tax                                                             | 14.50                        | 29.02                                      |
| Deferred tax                                                            | (0.05)                       | (14.56)                                    |
| <b>Income tax expenses reported in the statement of profit and loss</b> | <b>14.45</b>                 | <b>14.46</b>                               |

**OCI section**

| Particulars                                                     | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated) |
|-----------------------------------------------------------------|------------------------------|--------------------------------------------|
| Deferred tax related to items recognised in OCI during the year |                              |                                            |
| Re-measurement loss of defined employee benefit plans           | (0.15)                       | 0.22                                       |
| <b>Income tax charged through OCI</b>                           | <b>(0.15)</b>                | <b>0.22</b>                                |



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

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

**Reconciliation of tax expense**

| Particulars                                                                 | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated) |
|-----------------------------------------------------------------------------|------------------------------|--------------------------------------------|
| Accounting profit before income tax                                         | 45.37                        | 56.63                                      |
| Tax at India's statutory income tax rate of 25.17% (March 31, 2024: 25.17%) | 11.42                        | 14.25                                      |
| Tax impact on interest on MSME Disallowed as Income Tax Act 1961            | 2.74                         | -                                          |
| Disallowances under various sections of Income tax Act, 1961                | 0.29                         | 0.21                                       |
| <b>Income tax expense</b>                                                   | <b>14.45</b>                 | <b>14.46</b>                               |
| <b>Income tax expense reported in the statement of profit and loss</b>      | <b>14.45</b>                 | <b>14.46</b>                               |

**9B Income tax liabilities / (assets) (net)**

| Particulars                                        | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|----------------------------------------------------|-------------------------|---------------------------------------|
| Opening Income tax liabilities/(assets) (net)      | 0.22                    | -                                     |
| Add: Income tax payable for the 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>                           |

**Income Tax Assets / Liabilities**

| Particulars                                                                                        | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|----------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------|
| <b>Current</b>                                                                                     |                         |                                       |
| 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>                           |
| <b>Non- current</b>                                                                                |                         |                                       |
| Income tax assets (net of provision for tax ₹ 14.50 (March 31, 2024: ₹ Nil))                       | 6.21                    | -                                     |
|                                                                                                    | <b>6.21</b>             | <b>-</b>                              |



**STL NETWORKS LIMITED**

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

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

**10 Other assets and Contract assets**

| Particulars                                     | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|-------------------------------------------------|-------------------------|---------------------------------------|
| <b>Non-current (unsecured, considered good)</b> |                         |                                       |
| Prepaid expenses                                | 36.74                   | 47.77                                 |
| 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)             | 24.31                   | 22.99                                 |
| Balance with government authorities             | 69.88                   | 76.50                                 |
| Other advances                                  | 3.03                    | 3.68                                  |
| <b>Total other current assets</b>               | <b>97.22</b>            | <b>103.17</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 year is ₹ 0.13 (March 31, 2024 : ₹ 0.19)

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

|                                              |                 |                 |
|----------------------------------------------|-----------------|-----------------|
| Contract assets (unsecured, considered good) |                 |                 |
| Contract assets - unbilled revenue           | 1,051.11        | 1,181.05        |
| Retention billed and not due at year end     | 236.54          | 287.10          |
| Less: Loss allowance                         | (61.00)         | (61.00)         |
| <b>Total Contract assets</b>                 | <b>1,226.65</b> | <b>1,407.15</b> |
| Undisputed                                   | 1,131.91        | 1,312.41        |
| Disputed (refer note below)                  | 155.74          | 155.74          |
| Less: Loss allowance                         | (61.00)         | (61.00)         |
| <b>Total Contract assets</b>                 | <b>1,226.65</b> | <b>1,407.15</b> |

**Notes:**

Contract assets and trade receivables include ₹ 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 Company is under arbitration process. Considering the overall project status, past history, discussion/ correspondence with the customers, contractual terms and legal opinions, the Company 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 entity 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, ₹ 479.92 (March 31, 2024 : ₹ 781.15) 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 ₹ 125.58 (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 16 for information on current assets pledged as security.

**11 Inventories**

| Particulars                | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|----------------------------|-------------------------|---------------------------------------|
| Components and bought-outs | 39.61                   | 41.71                                 |
| <b>Total Inventories</b>   | <b>39.61</b>            | <b>41.71</b>                          |

**Amounts recognized in the Statement of profit or loss**

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

Refer note 16 for information on current assets pledged as security.



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

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

**12 Trade receivables**

| Particulars                                                               | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|---------------------------------------------------------------------------|-------------------------|---------------------------------------|
| Billed amount                                                             | 1,064.02                | 1,013.68                              |
| Less : Retention billed and not due as at year end (refer note (a) below) | (236.54)                | (287.10)                              |
| <b>Trade receivables</b>                                                  | <b>827.48</b>           | <b>726.58</b>                         |
| <b>Current</b>                                                            |                         |                                       |
| Trade receivables - billed (refer notes to note 10)                       | 824.68                  | 725.64                                |
| Trade receivables - unbilled (refer note (b) below)                       | 63.92                   | 77.95                                 |
| Trade receivables from related parties (refer note 43)                    | 15.34                   | 10.47                                 |
| Less : Loss allowance                                                     | -                       | -                                     |
|                                                                           | <b>903.94</b>           | <b>814.06</b>                         |
| <b>Break-up for security details</b>                                      |                         |                                       |
| Trade receivables considered good - secured                               | -                       | -                                     |
| Trade receivables considered good - unsecured                             | 903.94                  | 814.06                                |
| Trade receivables which have significant increase in credit risk          | -                       | -                                     |
| Trade receivables - credit impaired                                       | -                       | -                                     |
| <b>Total</b>                                                              | <b>903.94</b>           | <b>814.06</b>                         |
| Less : Allowance for expected credit losses                               | -                       | -                                     |
| <b>Total Current trade receivables</b>                                    | <b>903.94</b>           | <b>814.06</b>                         |
| <b>Total trade receivables</b>                                            | <b>903.94</b>           | <b>814.06</b>                         |

**Notes**

- a) 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 Company does not have unconditional right to payment as at the reporting date.
- b) The receivable is 'unbilled' because the Company has not yet issued an invoice; however, the balance has been included under trade receivables because it is an unconditional right to consideration.
- c) No trade or other receivable are due from directors or other officers of the company 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.
- d) Refer note 16 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             | Disputed Trade Receivables - considered good | Total         |
| Unbilled           | 63.92                                                      | -                                            | 63.92         |
| Not due            | 305.69                                                     | -                                            | 305.69        |
| Less than 6 months | 300.54                                                     | -                                            | 300.54        |
| 6 months to 1 year | 57.58                                                      | -                                            | 57.58         |
| 1-2 years          | 25.26                                                      | 7.30                                         | 32.56         |
| 2-3 years          | 7.06                                                       | -                                            | 7.06          |
| More than 3 years  | 8.38                                                       | 128.21                                       | 136.59        |
| <b>Total</b>       | <b>768.43</b>                                              | <b>135.51</b>                                | <b>903.94</b> |

| Particulars        | Outstanding for following periods from due date of payment |                                              |               |
|--------------------|------------------------------------------------------------|----------------------------------------------|---------------|
|                    | As at March 31, 2024 (Restated)                            |                                              |               |
|                    | Undisputed Trade receivables - Considered Good             | Disputed Trade Receivables - considered good | Total         |
| Unbilled           | 77.95                                                      | -                                            | 77.95         |
| Not due            | 314.44                                                     | -                                            | 314.44        |
| Less than 6 months | 142.13                                                     | 7.30                                         | 149.43        |
| 6 months to 1 year | 88.96                                                      | -                                            | 88.96         |
| 1-2 years          | 43.04                                                      | -                                            | 43.04         |
| 2-3 years          | 12.01                                                      | -                                            | 12.01         |
| More than 3 years  | -                                                          | 128.21                                       | 128.21        |
| <b>Total</b>       | <b>678.55</b>                                              | <b>135.51</b>                                | <b>814.06</b> |

**13 Cash and cash equivalents**

| Particulars                                                      | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|------------------------------------------------------------------|-------------------------|---------------------------------------|
| Balances with banks - In current accounts (refer note (a) below) | 200.01                  | 50.02                                 |
| <b>Total cash and cash equivalents</b>                           | <b>200.01</b>           | <b>50.02</b>                          |

**Notes:**

- a) This includes balances with bank - in current accounts of Sierlite Technologies Limited amounting to ₹ 200.00 at the year end (March 31, 2024 ₹ 50.00) and allocated to the Company, pursuant to the scheme of arrangement (refer note 44) and as approved by the Board of Directors.

- b) Refer note 16 for information on current assets pledged as security.



**STL NETWORKS LIMITED**

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

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

**14 Equity share capital**

| Particulars                                                                                                                                              | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------|
| a. Authorised equity share capital :                                                                                                                     |                         |                                       |
| 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. Issued, subscribed and paid-up equity shares (including equity share capital suspense account):                                                       |                         |                                       |
| 250,000 (March 31, 2024 : 50,000) Equity shares of ₹ 2.00 each (March 31, 2024 : ₹ 10 each) fully paid-up                                                | 9.10                    | 0.10                                  |
| Equity shares pending allotment pursuant to scheme of arrangement (refer note 44) (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 44)                                                                          | (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 (Restated) |              |
|----------------------------------------------------|----------------------|--------------|---------------------------------|--------------|
|                                                    | 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 44, vide order dated February 14, 2025. Further, on March 18, 2025, the 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 Company amounting to ₹ 0.10 held by Demerged Company stands cancelled on the Scheme becoming effective. Consequently, the Company has ceased to be subsidiary of Demerged Company as on March 31, 2025.

Pursuant to the Scheme, the 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 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 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 of the company, the holders of the equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

f. The authorized share capital and paid-up share capital of the 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 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 Company vide meeting dated March 21, 2025 (refer note 44). Necessary filings were made by the Company with Ministry of Corporate Affairs on April 04, 2025 and April 10, 2025 respectively.

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

|                                                                                     | As at March 31, 2025 |           | As at March 31, 2024 (Restated) |           |
|-------------------------------------------------------------------------------------|----------------------|-----------|---------------------------------|-----------|
|                                                                                     | Number of Shares     | % holding | Number of Shares                | % holding |
| Immediate Holding Company                                                           |                      |           |                                 |           |
| Sterlite Technologies Limited and its nominee shareholders (refer note 14(c) above) |                      |           | 50,000                          | 100%      |

**Note:**

Pursuant to the Scheme of arrangement (refer note 44), 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 under the Companies Act, 2013 and Indian Accounting Standards.

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

|                                                                                     | As at March 31, 2025 |           | As at March 31, 2024 (Restated) |           |
|-------------------------------------------------------------------------------------|----------------------|-----------|---------------------------------|-----------|
|                                                                                     | Number of Shares     | % holding | Number of Shares                | % holding |
| Sterlite Technologies Limited and its nominee shareholders (refer note 14(c) above) |                      |           | 50,000                          | 100%      |

**Note:**

Pursuant to the Scheme of arrangement (refer note 44), 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 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 43 A(a)(i), for Ultimate Controlling Party, legal and beneficial ownership of shares, basis the records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest.





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

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

**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 14(c) above) |                  |                                      | 100.00%              |

**Note**

Pursuant to the Scheme of arrangement (refer note 44), 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%                               | 100.00%              |
| Vedanta Limited                       | 47,64,295           | 0.98%                                | 100.00%              |
| Ankit Agarwal                         | 8,31,676            | 0.17%                                | 100.00%              |
| Navin Kumar Agarwal                   | 2,86,945            | 0.06%                                | 100.00%              |
| Pratik Pravin Agarwal                 | 52,500              | 0.01%                                | 100.00%              |
| Pravin Agarwal                        | 30,000              | 0.01%                                | 100.00%              |
| Sonakshi Agarwal                      | 21,000              | 0.00%                                | 100.00%              |
| Ruchira Agarwal                       | 16,000              | 0.00%                                | 100.00%              |
| Jyoti Agarwal                         | 11,500              | 0.00%                                | 100.00%              |
| Pravin Agarwal Family Trust           | 100                 | 0.00%                                | 100.00%              |
| Anil Agarwal                          |                     | 0.00%                                | 100.00%              |
| <b>Total</b>                          | <b>21,54,43,766</b> | <b>44.15%</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%                              | 0.00%                |

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 14(c) above

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

The 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 1,953,249 shares are reserved for issue under special purpose employee stock option scheme as per Scheme of Arrangement referred in Note 44

**15 Other equity**

| Particulars                                                               | As at March 31, 2025 | As at March 31, 2024 (Restated) |
|---------------------------------------------------------------------------|----------------------|---------------------------------|
| <b>A Reserves and Surplus</b>                                             |                      |                                 |
| Capital reserve                                                           |                      |                                 |
| Balance at the beginning of the year                                      | 990.16               |                                 |
| Pursuant to scheme of arrangement (refer note 44)                         | -                    | 990.16                          |
| Balance as at the end of the year                                         | <b>990.16</b>        | <b>990.16</b>                   |
| Retained earnings                                                         |                      |                                 |
| Balance at the beginning of the year                                      | 41.50                | (0.02)                          |
| Profit for the year                                                       | 30.92                | 42.17                           |
| Re-measurement gain/(loss) on defined benefit plans (net of deferred tax) | 0.46                 | (0.65)                          |
| Balance as at the end of the year                                         | <b>72.88</b>         | <b>41.50</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                            |
| Balance as at the end of the year                                         | <b>3.23</b>          | <b>1.94</b>                     |
| <b>Total other equity</b>                                                 | <b>1,066.27</b>      | <b>1,033.60</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 44)

b) Capital contribution by parent - Capital contribution by parent is used to recognise the fair value of options granted to employees of the Company under the employee stock option plan (ESOP) of Sterlite Technologies Limited pursuant to scheme of arrangement (refer note 44)



**STL NETWORKS LIMITED**

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

**16 Borrowings**

| Particulars                                                                                                              | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|--------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------|
| <b>A. Non-current borrowings</b>                                                                                         |                         |                                       |
| Unsecured Loan                                                                                                           |                         |                                       |
| Term Loan                                                                                                                |                         |                                       |
| Borrowings takenover pursuant to scheme of arrangement (refer note 44) - Indian rupee loans from NBFC (refer note below) | 40.69                   | 78.33                                 |
| <b>Total Non-current borrowings</b>                                                                                      | <b>40.69</b>            | <b>78.33</b>                          |
| Less - Current maturities of long term borrowings disclosed under the head "Current Borrowings"                          | (17.54)                 | (37.56)                               |
| <b>Total Non-current borrowings</b>                                                                                      | <b>23.05</b>            | <b>40.77</b>                          |

**Note:**

Above loan balances are takenover pursuant to the scheme of arrangement (refer note 44). As per the scheme, the primary obligation to repay transferred loans shall be that of the Company. However, without prejudice to such transfer, where considered necessary for the sake of convenience and inwards facilitating single point discharge, the 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 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 Company.

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

**B. Current Borrowing**

| Particulars                                                                                                                                       | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------|
| <b>Current borrowings</b>                                                                                                                         |                         |                                       |
| Borrowings takenover pursuant to scheme of arrangement referred in note 44 - Working capital demand loans from bank (secured) (refer notes below) | 703.18                  | 243.94                                |
| Current maturities of non-current borrowings (unsecured)                                                                                          | 17.64                   | 37.56                                 |
| <b>Total Current Borrowings</b>                                                                                                                   | <b>720.82</b>           | <b>281.50</b>                         |

**Note:**

- Above loan balances are proportionately transferred to the 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 44). As per the scheme, the primary obligation to repay transferred loans shall be that of the Company. However, without prejudice to such transfer, where considered necessary for the sake of convenience and towards facilitating single point discharge, the 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 Company.
- Pursuant to the Scheme of arrangement for demerger referred in Note 44, the encumbrance in respect to the secured borrowings transferred to the Company shall be extended to and operate over the assets transferred to the 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 Company. Similarly, the encumbrance over the assets transferred to the Company are released from the obligations relating to the secured borrowings remaining with Sterlite Technologies Limited. The 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.
- Working capital demand loan from banks is secured by first pari-passu charge on entire current assets of the Company (both present and future) and second pari-passu charge on plant & machinery and other movable fixed assets of the 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 8.10% p.a.). The terms and conditions of existing loan balances may under go change post novation of the loan contracts in the name of Company.

**Net debt reconciliation**

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

| Particulars               | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|---------------------------|-------------------------|---------------------------------------|
| Non-current borrowings    | (23.05)                 | (40.77)                               |
| Current borrowings        | (720.82)                | (281.50)                              |
| Lease liabilities         | (15.60)                 | (16.64)                               |
| Cash and cash equivalents | 200.01                  | 50.02                                 |
| <b>Net Debt</b>           | <b>(559.46)</b>         | <b>(288.89)</b>                       |

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

| Particulars                                                          | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|----------------------------------------------------------------------|-------------------------|---------------------------------------|
| Opening balance                                                      | 322.27                  | -                                     |
| Add: Takenover pursuant to the Scheme of arrangement (refer note 44) | -                       | 616.54                                |
| Cashflows / Adjustment for changes in net assets                     | 421.60                  | (294.27)                              |
| Interest expense                                                     | 53.47                   | 48.55                                 |
| Interest paid                                                        | (53.47)                 | (48.55)                               |
| <b>Closing balance</b>                                               | <b>743.87</b>           | <b>322.27</b>                         |

**Cash and cash equivalents**

| Particulars                                                          | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|----------------------------------------------------------------------|-------------------------|---------------------------------------|
| Opening balance                                                      | 50.02                   | 0.05                                  |
| Add: Takenover pursuant to the Scheme of arrangement (refer note 44) | -                       | 50.00                                 |
| Cashflows                                                            | 149.99                  | (0.13)                                |
| <b>Closing balance</b>                                               | <b>200.01</b>           | <b>50.02</b>                          |



**STL NETWORKS LIMITED**

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

**Assets pledged as security**

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

| Particulars                                         | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|-----------------------------------------------------|-------------------------|---------------------------------------|
| <b>Current</b>                                      |                         |                                       |
| <b>Financial Assets</b>                             |                         |                                       |
| Pari Passu Charge                                   |                         |                                       |
| Trade Receivables                                   | 903.94                  | 814.06                                |
| Cash and Cash Equivalents                           | 200.00                  | 50.00                                 |
| Other Current Financial Assets                      | 9.66                    | 32.21                                 |
| <b>Non Financial Assets</b>                         |                         |                                       |
| Pari Passu Charge                                   |                         |                                       |
| Inventories                                         | 39.61                   | 41.71                                 |
| Contract Assets                                     | 1,226.65                | 1,407.15                              |
| Other Current Assets                                | 97.22                   | 103.17                                |
| <b>Total Current Assets pledged as security</b>     | <b>2,476.08</b>         | <b>2,448.30</b>                       |
| <b>Non Current Assets</b>                           |                         |                                       |
| Pari Passu Charge                                   |                         |                                       |
| Plant & Machinery                                   | 0.95                    | 2.19                                  |
| Furniture & Fixtures                                | 4.50                    | 5.77                                  |
| Data Processing Equipments                          | 2.04                    | 3.00                                  |
| Office Equipment                                    | 0.78                    | 1.28                                  |
| Electrical Fittings                                 | 0.73                    | 1.55                                  |
| Vehicles                                            | 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>                       |

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

The 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 Company are in the process of obtaining separate working capital limits from banks and financial institutions consequent to the Scheme of arrangement (refer note 44). In respect of 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 Company, with banks and financial institutions based on information shared by the Company which are in agreement with the books of accounts.

**(ii) Utilisation of borrowed funds:**

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

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

- provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**(iii) The Company 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 Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.**
**(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 16(B)(b) above.**
**17 Other financial liabilities**

| Particulars                                      | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|--------------------------------------------------|-------------------------|---------------------------------------|
| <b>Current</b>                                   |                         |                                       |
| Deposits from vendors                            | 2.61                    | 2.39                                  |
| Interest due on Micro and Small Enterprise       | 15.37                   | 4.49                                  |
| Employee benefits payable                        | 6.67                    | 14.23                                 |
| <b>Total other current financial liabilities</b> | <b>24.65</b>            | <b>21.11</b>                          |





**STL NETWORKS LIMITED**

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

**18 Trade payables**

| Particulars                                                                       | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|-----------------------------------------------------------------------------------|-------------------------|---------------------------------------|
| Total outstanding dues of micro enterprises and small enterprises (refer note 39) | 94.51                   | 93.55                                 |
| Outstanding dues other than above                                                 |                         |                                       |
| - Related parties (refer note 43)                                                 | 26.34                   | 85.01                                 |
| - Acceptances                                                                     | 98.57                   | 92.14                                 |
| - Others                                                                          | 688.60                  | 981.31                                |
|                                                                                   | 813.51                  | 1,158.46                              |
| <b>Total trade payables</b>                                                       | <b>908.02</b>           | <b>1,252.01</b>                       |

**Trade payables ageing**

| Particulars       | Outstanding for following periods from due date |                      |                                 |                      |
|-------------------|-------------------------------------------------|----------------------|---------------------------------|----------------------|
|                   | As at March 31, 2025                            |                      | As at March 31, 2024 (Restated) |                      |
|                   | MSME<br>Undisputed                              | Others<br>Undisputed | MSME<br>Undisputed              | Others<br>Undisputed |
| Unbilled          | -                                               | 148.33               | -                               | 458.23               |
| Not due           | 34.82                                           | 208.36               | 38.24                           | 419.64               |
| Less than 1 year  | 48.19                                           | 196.59               | 52.26                           | 203.69               |
| 1 to 2 years      | 9.93                                            | 33.64                | 2.99                            | 56.40                |
| 2 to 3 years      | 1.51                                            | 14.41                | 0.04                            | 13.08                |
| More than 3 years | 0.06                                            | 12.38                | 0.02                            | 7.42                 |
| <b>Total</b>      | <b>94.51</b>                                    | <b>813.51</b>        | <b>93.55</b>                    | <b>1,158.46</b>      |

**19 Contract liabilities**

| Particulars                       | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|-----------------------------------|-------------------------|---------------------------------------|
| 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

**20 Other current liabilities**

| Particulars                            | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|----------------------------------------|-------------------------|---------------------------------------|
| Statutory dues                         | 4.51                    | 0.71                                  |
| <b>Total Other current liabilities</b> | <b>4.51</b>             | <b>0.71</b>                           |

**21 Employee benefit obligations**

| Particulars                                        | As at March 31, 2025 |             | As at March 31, 2024 (Restated) |             |
|----------------------------------------------------|----------------------|-------------|---------------------------------|-------------|
|                                                    | Current              | Non current | Current                         | Non current |
| Provision for gratuity (refer note 31)             | 2.45                 | 2.08        | 2.62                            | 3.36        |
| Provision for compensated absences (refer note 31) | 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 the Standalone Financial Statements for the year ended March 31, 2025**

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

**22 Revenue from operations**

| Particulars                                                                      | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated) |
|----------------------------------------------------------------------------------|------------------------------|--------------------------------------------|
| <b>Revenue from contracts with customers</b>                                     |                              |                                            |
| Telecom and Information Technology (IT) networks / systems integration contracts | 790.26                       | 1,082.88                                   |
| Operations and maintenance services contract                                     | 267.05                       | 216.45                                     |
|                                                                                  | 1,057.31                     | 1,299.33                                   |
| <b>Other operating income</b>                                                    |                              |                                            |
| Income from sale of services (refer note 43)                                     | 2.59                         | 3.60                                       |
| <b>Total Revenue from operations</b>                                             | <b>1,059.90</b>              | <b>1,302.93</b>                            |

**Notes**

- a) The contract price from contracts with customers of ₹ 1,092.12 (March 31, 2024 : ₹ 1,315.28) 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 Company'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 Company has applied the practical expedient in Ind AS 115.

**23 Other income**

| Particulars                                               | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated) |
|-----------------------------------------------------------|------------------------------|--------------------------------------------|
| Interest income on loans to related party (refer note 43) | 17.80                        | 13.51                                      |
| Exchange difference, (net)                                | 13.76                        | 8.67                                       |
| Provisions no longer required written back                | 5.86                         |                                            |
| Miscellaneous income                                      | 0.30                         | 0.81                                       |
| <b>Total Other income</b>                                 | <b>37.72</b>                 | <b>22.99</b>                               |

**24 Other direct costs**

| Particulars                                          | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated) |
|------------------------------------------------------|------------------------------|--------------------------------------------|
| Service implementation and network maintenance costs | 393.96                       | 527.15                                     |
| Contract labour charges                              | 45.19                        | 64.65                                      |
| <b>Total Other direct costs</b>                      | <b>439.15</b>                | <b>591.80</b>                              |

**25 Employee benefits expense**

| Particulars                                           | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated) |
|-------------------------------------------------------|------------------------------|--------------------------------------------|
| Salaries, wages and bonus                             | 91.95                        | 111.38                                     |
| Contribution to provident fund (refer note below)     | 3.69                         | 3.80                                       |
| Gratuity expenses (refer note 31)                     | 1.69                         | 1.46                                       |
| Employees share based payment expense (refer note 32) | 1.29                         | 1.94                                       |
| Staff welfare expenses                                | 2.77                         | 2.34                                       |
| <b>Total Employee benefit expense</b>                 | <b>101.39</b>                | <b>120.92</b>                              |

Above includes expenses reimbursed on shared basis refer note 27

**Defined Contribution Plans:**

i) The 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 Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

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



**STL NETWORKS LIMITED**

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

| Particulars                               | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated) |
|-------------------------------------------|------------------------------|--------------------------------------------|
| Contribution to Employees' Provident Fund | 3.69                         | 3.80                                       |
| <b>Total</b>                              | <b>3.69</b>                  | <b>3.80</b>                                |

**26 Other expenses**

| Particulars                                   | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated) |
|-----------------------------------------------|------------------------------|--------------------------------------------|
| Repairs and maintenance - Building and others | 1.48                         | 1.21                                       |
| Sales and marketing expenses                  | 2.35                         | 7.17                                       |
| Rent                                          | 1.94                         | 3.22                                       |
| Insurance                                     | 2.64                         | 2.69                                       |
| Legal and professional fees                   | 9.77                         | 11.57                                      |
| Rates and taxes                               | 1.25                         | 0.51                                       |
| Travelling and conveyance                     | 2.25                         | 4.75                                       |
| Loss on sale of assets                        | 0.10                         | -                                          |
| Payment to auditor (refer note below)         | 0.50                         | 0.01                                       |
| IT expenses (refer note 43)                   | 12.73                        | 7.74                                       |
| Miscellaneous expenses                        | 5.20                         | 4.88                                       |
| <b>Total other expenses</b>                   | <b>40.21</b>                 | <b>43.75</b>                               |

Above includes expenses reimbursed on shared basis refer note 27

| Particulars                                                       | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated) |
|-------------------------------------------------------------------|------------------------------|--------------------------------------------|
| <b>Payment to auditor</b>                                         |                              |                                            |
| As auditor:                                                       |                              |                                            |
| Audit fee (including audit of consolidated financial statements)* | 0.50                         | 0.01                                       |
| Tax audit fee                                                     | -                            | -                                          |
| <b>Total Payment to auditor</b>                                   | <b>0.50</b>                  | <b>0.01</b>                                |

\*Year ended March 31, 2025 includes fees amounting to ₹ 0.35 towards audit of special purpose interim financial statements for inclusion in the information memorandum, in connection with the proposed listing of equity shares pursuant to the scheme of arrangement (refer note 44).

27 Pursuant to Scheme of Arrangement the Demerged Undertaking consisting of Global Services Business of the Sterlite Technologies Limited (the Demerged Undertaking) is transferred to the Company (refer note 44). There are various common facilities/functions with STL and the cost in respect of these facilities/functions are incurred by STL. The 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                            | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated) |
|----------------------------------------|------------------------------|--------------------------------------------|
| 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>                               |



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

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

**(b) Other expenses**

| Particulars                  | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated) |
|------------------------------|------------------------------|--------------------------------------------|
| 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>                               |

**28 Depreciation and amortisation expense**

| Particulars                                        | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated) |
|----------------------------------------------------|------------------------------|--------------------------------------------|
| Depreciation of property, plant and equipment      | 5.86                         | 7.60                                       |
| Depreciation of right of use assets                | 2.32                         | 2.74                                       |
| Amortisation of intangible assets                  | 0.17                         | 0.47                                       |
| <b>Total depreciation and amortisation expense</b> | <b>8.35</b>                  | <b>10.81</b>                               |

**29 Finance costs**

| Particulars                                                  | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated) |
|--------------------------------------------------------------|------------------------------|--------------------------------------------|
| Interest on financial liabilities measured at amortised cost | 53.47                        | 48.55                                      |
| Interest on Micro and Small Enterprise                       | 10.88                        | 4.49                                       |
| Interest on lease liabilities                                | 1.41                         | 1.50                                       |
| Bank charges                                                 | 18.32                        | 12.87                                      |
| <b>Total finance cost</b>                                    | <b>84.08</b>                 | <b>67.41</b>                               |

**30 Income Tax expense/(credit):**

| Particulars              | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated) |
|--------------------------|------------------------------|--------------------------------------------|
| Current tax              | 14.50                        | 29.02                                      |
| Deferred tax             | (0.05)                       | (14.56)                                    |
| <b>Total tax expense</b> | <b>14.45</b>                 | <b>14.46</b>                               |



**STL NETWORKS LIMITED**

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

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

**31 Employee benefit obligations**

| Particulars                                           | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|-------------------------------------------------------|-------------------------|---------------------------------------|
| <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 Company's liability for privilege leave. The entire amount is presented as current since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

| Particulars                                                               | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|---------------------------------------------------------------------------|-------------------------|---------------------------------------|
| Compensated absences not expected to be settled within the next 12 months | 3.59                    | 3.62                                  |

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

The 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 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<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|-------------------------------------------------------------|-------------------------|---------------------------------------|
| Defined benefit obligation at the beginning of the year     | 7.28                    | -                                     |
| Takenover pursuant to scheme of arrangement (refer note 44) | -                       | 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<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|-------------------------------------------------------------|-------------------------|---------------------------------------|
| Fair value of plan assets at the beginning of the year      | 1.30                    | -                                     |
| Takenover pursuant to scheme of arrangement (refer note 44) | -                       | 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 Company expects to contribute ₹ 2.45 (March 31, 2024: ₹ 2.53) to its gratuity plan in next year.

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

| Particulars           | As at<br>March 31, 2025<br>% | As at<br>March 31, 2024<br>(Restated)<br>% |
|-----------------------|------------------------------|--------------------------------------------|
| 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 44 to the Company's account with SBI Life Group Gratuity Trust.



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

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

**Details of defined benefit obligation**

| Particulars                                 | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|---------------------------------------------|-------------------------|---------------------------------------|
| 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<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|-------------------------------------|-------------------------|---------------------------------------|
| 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 Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The 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                | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated) |
|----------------------------|------------------------------|--------------------------------------------|
| 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                                                | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated) |
|------------------------------------------------------------|------------------------------|--------------------------------------------|
| 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>                                |

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

| Particulars                           | As at<br>March 31, 2025                      | As at<br>March 31, 2024<br>(Restated)        |
|---------------------------------------|----------------------------------------------|----------------------------------------------|
| 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      | 8.00%                                        | 8.00%                                        |
| 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.



**STL NETWORKS LIMITED**

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

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

**Sensitivity Analysis**

| Particulars                             | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|-----------------------------------------|-------------------------|---------------------------------------|
| +1% Change in discount rate             | (0.43)                  | (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 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.

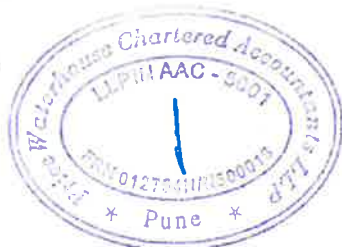
Increases in life expectancy of employee will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

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<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|-----------------------------------------------------------------------|-------------------------|---------------------------------------|
| 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                                  |





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

Sterlite Technologies Limited (the 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 Company 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.

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

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

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

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

**32 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 223,508 options under its ESOP scheme to the eligible employees of the Company 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 (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                                     | 132.8           | 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 of the Demerged Company

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 (years)      | 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 Company 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 (Rs 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 in the Standalone Financial Statements for the year ended March 31, 2025

(All amounts are in ₹ crores unless otherwise stated)

**33 Earnings per share (EPS)**

The following table shows the computation of basic and diluted EPS

| Particulars                                                                                   | Year ended<br>March 31, 2025 | Year ended<br>March 31, 2024<br>(Restated*) |
|-----------------------------------------------------------------------------------------------|------------------------------|---------------------------------------------|
| Profit for the year                                                                           | 30.92                        | 42.17                                       |
| 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*                     | 19,55,249                    | 19,55,249                                   |
| Weighted average number of equity shares in calculating diluted EPS                           | 48,98,76,335                 | 48,98,76,335                                |
| Earnings per share (Face value of ₹ 2.00 each)                                                |                              |                                             |
| Basic                                                                                         | 0.63                         | 0.86                                        |
| Diluted                                                                                       | 0.63                         | 0.86                                        |

\*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 Company pursuant to this Scheme) under the ESOP Scheme, the said eligible employees shall be issued 1 (one) stock option by the Company under the new special purpose employee stock option scheme (formulated by the Company) 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 formulated by the Company

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.

**34 Code on social security, 2020**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the 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 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.

**35 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)
- b) The external loans taken by the STL UK Holdco Limited are guaranteed by the Company (corporate guarantee was issued by Sterlite Technologies Limited (Demerged Company), which pursuant to the scheme of arrangement (refer note 44) shall be deemed to have been transferred to the Company) (refer note 43) ₹ 116.20 (March 31, 2024 ₹ 110.46)

**36 Contingent liabilities**

| Particulars                  | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|------------------------------|-------------------------|---------------------------------------|
| Disputed liabilities         |                         |                                       |
| (a) Excise and Customs duty* | 1.53                    | 1.53                                  |
| (b) Goods and Service tax*   | 10.82                   | -                                     |
|                              | 12.35                   | 1.53                                  |

\* 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 assumed by the Company pursuant to the scheme of arrangement (refer note 44). Sterlite Technologies Limited (the Demerged Company) is contesting these litigations on advice of the Company and in case of any unfavourable outcome, the Company will reimburse the demand and all the related costs to the Demerged Company.
- b) The Company has certain on-going arbitration/ litigations/ counter claims by/ or against the Company with respect to certain customer contracts. The Company 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 regard has been considered in the standalone financial statements. Further, counter claim by a customer to the extent of ₹ 6.25 is considered remote based on a legal opinion.



**STL NETWORKS LIMITED**

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

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

The Company has used multiple accounting softwares (including the softwares maintained by Sterlite Technologies Limited for recording transactions pertaining to Global Services transferred to the Company pursuant to the Scheme of arrangement referred to in Note 44) 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 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.

**38 Details of dues to Micro and Small Enterprises as defined under MSMED Act, 2006**

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

| Particulars                                                                                                                                                                                                                                                                                                                      | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------|
| (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                                                                                                                                                                                                                                                                                                 | 94.31                   | 93.55                                 |
| 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                                                                                                                                                                                                                                       | 13.37                   | 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 Company regarding status of the suppliers as Micro and Small enterprises.

**39 Financial ratios**

| Particulars                                                                                                                                                     | March 31, 2025 | March 31, 2024<br>(Restated) | Variance | Note |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|------------------------------|----------|------|
| <b>A. Performance Ratios</b>                                                                                                                                    |                |                              |          |      |
| Net profit ratio<br>(Profit after tax) / (Revenue from operations)                                                                                              | 3.92%          | 3.24%                        | -9.88%   |      |
| Net capital turnover ratio<br>(Revenue from operations) / (Closing working capital)                                                                             | 145.64%        | 171.13%                      | -14.89%  |      |
| Return on capital employed<br>(Profit before interest and tax) / (Closing capital employed*)                                                                    | 6.87%          | 8.67%                        | -20.75%  |      |
| Return on equity ratio<br>(Profit after tax) / (Average shareholder's equity)                                                                                   | 2.69%          | 3.80%                        | -29.12%  | (i)  |
| Return on investment<br>(Interest on loans given to subsidiary) / (Average outstanding Loans given to subsidiaries)                                             | 6.18%          | 5.77%                        | 7.06%    |      |
| Debt service coverage ratio<br>(Profit before interest, depreciation, amortisation and tax) / (Interest & Lease Payments + principal borrowing during the year) | 122.18%        | 36.64%                       | 233.45%  | (ii) |



**STL NETWORKS LIMITED**

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

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

| Particulars                                                                                              | March 31, 2025 | March 31, 2024<br>(Restated) | Variance | Note  |
|----------------------------------------------------------------------------------------------------------|----------------|------------------------------|----------|-------|
| <b>B. Leverage Ratios</b>                                                                                |                |                              |          |       |
| Debt-equity ratio<br>(Total borrowings including lease liabilities / Total equity)                       | 0.65           | 0.30                         | 117.80%  | (iii) |
| <b>C. Liquidity Ratios</b>                                                                               |                |                              |          |       |
| Current ratio<br>(Current assets) / (Current liabilities)                                                | 1.42           | 1.45                         | -2.42%   |       |
| <b>D. Activity Ratio</b>                                                                                 |                |                              |          |       |
| Inventory turnover ratio<br>(Cost of goods sold) / (Average inventory)                                   | 9.32           | 10.04                        | -7.16%   |       |
| Trade receivables turnover ratio<br>(Revenue from operations) / (Average trade receivables)              | 1.23           | 1.62                         | -23.97%  |       |
| Trade payables turnover ratio<br>(Total Expenses other than payroll expenses) / (Average trade payables) | 0.79           | 0.89                         | -10.77%  |       |

\*Closing capital employed = Tangible net worth + Gross debt - Deferred tax Assets - Intangible assets + Lease liabilities

Note: Explanation for change in ratio by more than 25%

- (i) The variation is on account of lower profitability and revenue
- (ii) The variation is on account current borrowings paid in the previous year
- (iii) The variation is on account of the increase in the total borrowings in the current year as compared to previous year



# STL NETWORKS LIMITED

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

## 40 Financial risk management

The Company'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 Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, bank balance and other financial assets that arise directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company'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 Company's policy that no trading in derivatives for speculative purposes should be undertaken.

The Risk Management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are approved and reviewed regularly by the Board to reflect changes in market conditions and the Company's activities.

Management has overall responsibility for the establishment and oversight of the Company's risk management framework. The risks to which Company 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 Company's exposure to the risk of changes in interest rate primarily relates to the Company's debt obligations with floating interest rates.

The Company is not exposed to the interest rate fluctuation in borrowing. At March 31, 2025, 100% of the Company's borrowings are at a fixed rate of interest (March 31, 2024: 100%).

| Particulars           | As at<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|-----------------------|-------------------------|---------------------------------------|
| Fixed rate borrowings | 743.87                  | 322.27                                |
| Total borrowings      | 743.87                  | 322.27                                |

#### Foreign currency risk

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

As on March 31, 2025, the Company 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 the loans given to the subsidiaries. Accordingly, fluctuations in foreign exchange rates may have an impact on the Company's financial performance and position. The Company monitors its foreign currency exposures on an ongoing basis and may consider hedging strategies in the future as necessary. The Company 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                                         | AED  | USD  | GBP    |
|-----------------------------------------------------|------|------|--------|
| <b>Financial Assets</b>                             |      |      |        |
| Loan to Subsidiaries                                | -    | -    | 317.50 |
| Trade Receivables from related party                | -    | -    | 12.54  |
| <b>Derivative Assets</b>                            |      |      |        |
| Foreign exchange forward contracts                  | -    | -    | -      |
| Net Exposure to foreign currency risk (Assets)      | -    | -    | 330.04 |
| <b>Financial Liabilities</b>                        |      |      |        |
| Trade payable                                       | 0.25 | 1.32 | -      |
| Net Exposure to foreign currency risk (Liabilities) | 0.25 | 1.32 | -      |

#### As at March 31, 2024 (Restated)

| Particulars                                         | AED  | USD  | GBP      |
|-----------------------------------------------------|------|------|----------|
| <b>Financial Assets</b>                             |      |      |          |
| Loan to Subsidiary                                  | -    | -    | 358.89   |
| Trade Receivables from related party                | -    | -    | 9.53     |
| <b>Derivative Assets</b>                            |      |      |          |
| Foreign exchange forward contracts                  | -    | -    | (142.42) |
| Net Exposure to foreign currency risk (Assets)      | -    | -    | 126.00   |
| <b>Financial Liabilities</b>                        |      |      |          |
| Trade payable                                       | 0.25 | 1.24 | -        |
| Net Exposure to foreign currency risk (Liabilities) | 0.25 | 1.24 | -        |



**STL NETWORKS LIMITED**

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

**Foreign currency sensitivity**

The following tables demonstrate the sensitivity to a reasonably possible change in GBP, USD and AED exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. With all the other variable held constant, the Company's profit before tax is affected through the impact on change of foreign currency rate as follows:-

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

**Price risk**

The Company has investments mainly in wholly owned subsidiaries. These investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company 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 Company's senior management on a regular basis. The Company's Board of Directors review and approve all equity investment decisions.

**(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 Company 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.

**Trade receivables and Contract assets**

The Company 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, e.g. credit rating and individual credit limits are defined in accordance with credit assessment. Outstanding customer receivables are regularly monitored.

The Company provides for expected credit loss of trade receivables and contract assets based on life-time expected credit losses (simplified approach). The Company 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 Company 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 Company does not hold collateral as security. The Company 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 year, the Company 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<br>March 31, 2025 | As at<br>March 31, 2024<br>(Restated) |
|--------------------------------------------------------|-------------------------|---------------------------------------|
| Gross Carrying Amount - Trade Receivables              | 903.94                  | 314.06                                |
| Gross Carrying Amount - Contract Assets                | 1,237.65                | 1,468.15                              |
| Expected credit losses - Trade Receivables             |                         |                                       |
| Expected credit losses - Contract Assets               | (61.00)                 | (61.00)                               |
| Carrying amount of trade receivable (net of provision) | 903.94                  | 814.06                                |
| Carrying amount of contract assets (net of provision)  | 1,326.65                | 1,407.15                              |

**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 44)              | (61.00)         | -                 |
| Increase in loss allowance recognised in profit or loss during the year |                 |                   |
| Loss allowance utilised during the year                                 |                 |                   |
| Loss Allowance as on March 31, 2024 (Restated)                          | (61.00)         | -                 |
| Increase in loss allowance recognised in profit or loss during the year |                 |                   |
| Loss allowance utilised during the year                                 |                 |                   |
| Loss Allowance as on March 31, 2025                                     | (61.00)         | -                 |

**Reconciliation of loss allowance provision of inter company loans and financial guarantee:**

The Company has given interest bearing loans to its subsidiaries which are repayable on demand. Further, certain external loans taken by the subsidiaries are guaranteed by the Company (corporate guarantee was issued by Sterlite Technologies Limited (Demerged Company), which pursuant to the scheme of arrangement (refer note 44) shall be deemed to have been transferred to the Company). The loans and financial guarantees given to subsidiaries are reviewed and assessed for impairment at each reporting date under Ind AS 109. The inter-company loans have been provided to the subsidiaries for operational purposes and with an expectation of an extended gestation period. The Company intends to allow the subsidiaries to continue trading and thus reviews the cash flow forecasts to confirm whether the projections are in line with the initial expectations and whether the credit risk has increased significantly since initial recognition. The Company considers the expected manner of recovery and recovery period of the loans to determine the expected credit loss. The gross carrying amount of loans for which credit risk has not increased significantly since initial recognition is ₹ 317.61 (31 March 2024 ₹ 258.89).





**STL NETWORKS LIMITED**

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

The loss allowance as on March 31, 2025 (compared to the opening loss allowance as follows):

| Particulars                                                 | Total |
|-------------------------------------------------------------|-------|
| Loss allowance as at April 1, 2023                          | -     |
| Takenover pursuant to scheme of arrangement (refer note 44) | 7.17  |
| Add: Additions                                              | -     |
| Loss allowance as at March 31, 2024** (Restated)            | 7.17  |
| Add: Additions                                              | -     |
| Loss allowance as at March 31, 2025*                        | 7.17  |

\* The above amount includes ₹ 2.43 for expected credit loss on financial guarantee

**Financial assets and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company'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 Company 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 Company'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.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Company requires funds both for short term operational needs as well as for long term investment programs. The Company closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its 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 Company'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                             | -                   | 729.59          | 18.60                 | 4.99                  | -                 | 753.18          |
| Other financial liabilities            | -                   | 24.65           | -                     | -                     | -                 | 24.65           |
| Trade payables                         | -                   | 908.02          | -                     | -                     | -                 | 908.02          |
| Lease liability                        | -                   | 3.60            | 3.65                  | 12.12                 | 1.35              | 20.72           |
|                                        | -                   | <b>1,665.86</b> | <b>22.25</b>          | <b>17.11</b>          | <b>1.35</b>       | <b>1,706.57</b> |
| <b>As at March 31, 2024 (Restated)</b> |                     |                 |                       |                       |                   |                 |
| Borrowings                             | -                   | 282.63          | 18.60                 | 23.59                 | -                 | 324.82          |
| Other financial liabilities            | -                   | 21.11           | -                     | -                     | -                 | 21.11           |
| Trade payables                         | -                   | 1,252.01        | -                     | -                     | -                 | 1,252.01        |
| Lease liability                        | -                   | 3.84            | 3.43                  | 9.93                  | 4.46              | 21.71           |
|                                        | -                   | <b>1,559.59</b> | <b>22.03</b>          | <b>33.52</b>          | <b>4.46</b>       | <b>1,619.60</b> |

The Company is in the process of obtaining separate working capital and other borrowing limits from banks and financial institutions consequent to the Scheme of Arrangement (refer note 44). 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 Company as per the Scheme referred to in Note 44 to maintain the Company'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 Company within the limits as approved by its Board of Directors.

**41 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital (including Share capital suspense account pending allotment) and all other equity reserves attributable to the shareholders of the Company. The primary objective of the Company'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 Company manages its capital structure to ensure it remains adequately funded to support its operations and growth strategy. The Company'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 Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio optimum. The Company 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 (Restated) |
|--------------------------------------------------------------------------------|----------------------|---------------------------------|
| Interest Bearing Loans and borrowings (including interest accrued but not due) | 743.87               | 322.27                          |
| Lease liabilities                                                              | 15.60                | 16.64                           |
| Less: Cash and Cash equivalents                                                | (290.31)             | (50.02)                         |
| <b>Net debt</b>                                                                | <b>559.16</b>        | <b>288.89</b>                   |
| Equity share capital (including Equity Share capital suspense account)         | 97.58                | 97.58                           |
| Other equity                                                                   | 1,066.27             | 1,033.60                        |
| <b>Total capital</b>                                                           | <b>1,163.85</b>      | <b>1,131.18</b>                 |
| <b>Capital and net debt</b>                                                    | <b>1,723.01</b>      | <b>1,420.07</b>                 |
| Gearing ratio                                                                  | 32.46%               | 20.34%                          |

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



42 Fair value

a) Financial Instruments by Category - Classifications

| Particulars                        | As at March 31, 2025 |       |                 | March 31, 2024 (Restated) |       |                 |
|------------------------------------|----------------------|-------|-----------------|---------------------------|-------|-----------------|
|                                    | FVPL                 | FVOCI | Amortised Cost  | FVPL                      | FVOCI | Amortised Cost  |
| <b>Financial assets</b>            |                      |       |                 |                           |       |                 |
| Trade receivables                  | -                    | -     | 903.94          | -                         | -     | 814.06          |
| Loans                              | -                    | -     | 310.33          | -                         | -     | 251.72          |
| Cash and cash equivalents          | -                    | -     | 200.01          | -                         | -     | 50.02           |
| Other financial assets             | -                    | -     | 10.78           | -                         | -     | 34.49           |
| Foreign exchange forward contracts | -                    | -     | -               | 0.68                      | -     | -               |
| <b>Total financial assets</b>      | -                    | -     | <b>1,425.06</b> | <b>0.68</b>               | -     | <b>1,150.29</b> |
| <b>Financial liabilities</b>       |                      |       |                 |                           |       |                 |
| Borrowings                         | -                    | -     | 743.87          | -                         | -     | 322.27          |
| Trade Payables                     | -                    | -     | 908.02          | -                         | -     | 1,252.01        |
| Deposits from vendors              | -                    | -     | 2.61            | -                         | -     | 3.39            |
| Other Financial Liabilities        | -                    | -     | 22.04           | -                         | -     | 18.72           |
| <b>Total financial liabilities</b> | -                    | -     | <b>1,676.54</b> | -                         | -     | <b>1,595.39</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 Company 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 (Restated)                                                                    | 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 period. 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 Company 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 Company 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 borrowings availed and loans given are fixed rate borrowings / loans and movements in interest rates from the recognition of such financial instrument till year end, not being material.





# STL NETWORKS LIMITED

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

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

## 43 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 thereafter Immediate Holding Company)

Vedanta Incorporated, Bahamas (Ultimate Holding Company)

### Ultimate Controlling Party

Pursuant to the Scheme referred to in Note 44 which is effective on the close of business hours on March 31, 2025, STL Networks Limited is a majority-owned an emolument subsidiary of Twin Star Overseas Limited (Twin Star). Vedanta Incorporated, Bahamas ("Vedanta") holds 100 % of the share capital and 100 % of the voting rights of Twin Star. Vedanta 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, Vedanta Incorporated, Bahamas and Anil Agarwal Discretionary Trust do not produce Group financial statements.

### (ii) Subsidiaries

Sterlite Technologies UK Ventures Limited, UK

STL UK Holdco Limited, UK

Clearcomin Group Limited, UK

### (iii) Joint venture

Sterlite Condispar Industrial Ltda (50:50 joint venture between Sterlite Technologies UK Ventures Limited and Condispar Conduttores Eletricos Limitada)

(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

Sterlite Tech Cables Solutions Limited

Vedanta Limited

Talwaadi Sabo Power Limited

### (iii) Key management personnel (KMP)

Mr. Anil 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. Badri Gomatam - Director (up to April 14, 2023)

Mr. Sumit Mukherjee - Director (up to April 14, 2023)

Mr. Pankaj Agarwal - Director (from April 14, 2023 upto August 31, 2023)

Mr. Pravin Chetani - Director (from April 14, 2023 upto February 14, 2025)

Mr. Gupta Chandra Rastogi - Director (from August 31, 2023 upto May 16, 2025)

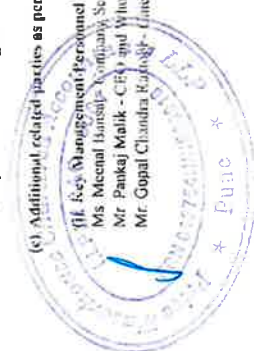
(c) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

### Key Management Personnel (KMP)

Ms. Meenal Bansal - 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)



**SIL NETWORKS LIMITED**

**Notes to the Standalone 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 year and their outstanding balances are as follows:-

[illegible]

**C.) Disclosure in respect of material related party transaction during the year:**

| Sr.no.   | Particulars                                | Relationship      | March 31, 2025 | March 31, 2024<br>(Restated) |
|----------|--------------------------------------------|-------------------|----------------|------------------------------|
| <b>1</b> | <b>Remuneration (refer note (D) below)</b> |                   |                |                              |
|          | Mr. Pankaj Malik                           | KMP               | 0.56           | -                            |
|          | Mr. Gopal Chandra Rastogi                  | KMP               | 0.75           | -                            |
|          | Mr. Praveen Chohan                         | KMP               | 2.87           | 3.52                         |
|          | Mr. Pankaj Aggarwal                        | KMP               | -              | -                            |
|          | Ms. Meenal Bansal                          | KMP               | 0.02           | 0.69                         |
|          | <b>Total</b>                               |                   | <b>4.41</b>    | <b>4.96</b>                  |
| <b>2</b> | <b>Loans and advances given</b>            |                   |                |                              |
|          | Sterlite Technologies UK Ventures Limited  | Subsidiary        | -              | 19.88                        |
|          | STL UK Holdings Limited, UK                | Subsidiary        | 26.99          | 8.49                         |
|          | <b>Total</b>                               |                   | <b>26.99</b>   | <b>28.37</b>                 |
| <b>3</b> | <b>Interest charged on loans</b>           |                   |                |                              |
|          | Sterlite Technologies UK Ventures Limited  | Subsidiary        | 14.97          | 12.05                        |
|          | STL UK Holdings Limited, UK                | Subsidiary        | 2.83           | 1.46                         |
|          | <b>Total</b>                               |                   | <b>17.80</b>   | <b>13.51</b>                 |
| <b>4</b> | <b>Revenue from operations</b>             |                   |                |                              |
|          | Medanta Limited                            | Fellow Subsidiary | 0.24           | -                            |
|          | Falcons Saba Power Limited                 | Fellow Subsidiary | 0.71           | -                            |
|          | Phulistan Zinc Limited                     | Fellow Subsidiary | 4.47           | 8.61                         |
|          | <b>Total</b>                               |                   | <b>5.42</b>    | <b>8.61</b>                  |



**STL NETWORKS LIMITED**  
**Notes to the Standalone 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<br>(Restated) |
|--------|----------------------------------------------|-------------------|----------------|------------------------------|
| 5      | Other operating income                       |                   |                |                              |
|        | Sterile Technologies UK Ventures Limited     | Fellow Subsidiary | 2.59           | 3.60                         |
|        | <b>Total</b>                                 |                   | <b>2.59</b>    | <b>3.60</b>                  |
| 6      | Purchase of goods & services                 |                   |                |                              |
|        | Sterile Technologies Limited (refer note 44) | Holding Company   | 16.30          | 13.38                        |
|        | STL Digital Limited                          | Fellow Subsidiary | 7.24           | 1.85                         |
|        | Sterile Tech Cables Solutions Limited        | Fellow Subsidiary | 48.27          | 46.23                        |
|        | <b>Total</b>                                 |                   | <b>71.81</b>   | <b>61.46</b>                 |
| 7      | Corporate allocation expenses                |                   |                |                              |
|        | Sterile Technologies Limited (refer note 27) | 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 company**

| Particulars                                                | March 31, 2025 | March 31, 2024<br>(Restated) |
|------------------------------------------------------------|----------------|------------------------------|
| 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:**

- (i) The remuneration paid to the KMPs were paid to them in the capacity as employees of Global Services Business of Sterile Technologies Limited which was transferred to the Company pursuant to the Scheme referred to in note 44
- (ii) Above compensation is excluding post employment benefit expense. Liability for post employment benefits is provided on actuarial basis for the Company as a whole, the amount pertaining to the individual is not ascertainable and therefore not included above

**(E) Terms and Conditions**

- a) All outstanding balances are unsecured and repayable in cash
- b) The transactions with the related parties disclosed above are net of goods and services tax (as applicable)
- c) The outstanding balances of related parties disclosed above are gross of goods and services tax (as applicable)
- d) The outstanding balances receivable for Loans/advance receivables and investment in equity shares from related parties are net of impairment loss, if any



## STL NETWORKS LIMITED

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

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

#### 44 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 "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 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 Standalone Financial Statements for the year ended March 31, 2025 have been prepared by considering the impact of demerger.

The 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 Company to account as if business combination had occurred from beginning of preceeding period and accordingly, the previous year numbers have been restated. 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 Company as per the Scheme.

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

Pursuant to the Scheme, the 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 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 Company has complied with the aforesaid Scheme of Arrangement for Demerger and the effect of such Scheme has been accounted for in these standalone financial statements in accordance with the Scheme and in accordance with the Indian Accounting Standards.



**STL NETWORKS LIMITED**
**Notes to the Standalone 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<br>April 01, 2023 |
|-------------------------------------------------------------------------------------------|-------------------------|
| <b>Assets</b>                                                                             |                         |
| <b>I Non-current assets</b>                                                               |                         |
| Property, plant and equipment                                                             | 21.93                   |
| Right-of-use assets                                                                       | 17.54                   |
| Intangible assets                                                                         | 1.63                    |
| Financial assets                                                                          |                         |
| (i) Investments                                                                           | 25.79                   |
| (ii) Loans                                                                                | 209.49                  |
| (iii) Other financial assets                                                              | 4.28                    |
| Deferred tax assets (net)                                                                 | 23.07                   |
| Other non-current assets                                                                  | 38.58                   |
| <b>Total non-current assets</b>                                                           | <b>342.31</b>           |
| <b>II Current assets</b>                                                                  |                         |
| Inventories                                                                               | 43.42                   |
| Financial assets                                                                          |                         |
| (i) Trade receivables                                                                     | 791.57                  |
| (ii) Cash and cash equivalents                                                            | 50.00                   |
| (iii) Other financial assets                                                              | 39.37                   |
| Contract assets                                                                           | 1,598.39                |
| Other current assets                                                                      | 175.00                  |
| <b>Total current assets</b>                                                               | <b>2,697.75</b>         |
| <b>Total assets</b>                                                                       | <b>3,040.06</b>         |
| <b>Liabilities</b>                                                                        |                         |
| <b>I Non-current liabilities</b>                                                          |                         |
| Financial liabilities                                                                     |                         |
| (i) Borrowings                                                                            | 31.16                   |
| (ii) Lease liabilities                                                                    | 19.48                   |
| (iii) Other financial liabilities                                                         | 3.72                    |
| Employee benefit obligations                                                              | 1.37                    |
| <b>Total non-current liabilities</b>                                                      | <b>55.73</b>            |
| <b>II Current liabilities</b>                                                             |                         |
| Financial liabilities                                                                     |                         |
| (i) Borrowings                                                                            | 585.38                  |
| (ii) Lease liabilities                                                                    | 1.21                    |
| (iii) Trade payables                                                                      |                         |
| (a) total outstanding dues of micro and small enterprises                                 | 104.43                  |
| (b) total outstanding dues other (iii)(a) above                                           | 1,030.20                |
| (iv) Other financial liabilities                                                          | 16.10                   |
| Contract liabilities                                                                      | 145.00                  |
| Other current liabilities                                                                 | 8.07                    |
| Employee benefit obligations                                                              | 6.30                    |
| <b>Total current liabilities</b>                                                          | <b>1,896.69</b>         |
| <b>Total liabilities</b>                                                                  | <b>1,952.42</b>         |
| <b>Net Assets transferred</b>                                                             | <b>1,087.64</b>         |
| less : Equity shares to be allotted pursuant to the Scheme of Arrangement (refer note 14) | (97.58)                 |
| Add: Cancellation of equity shares pursuant to scheme of arrangement (refer note 14)      | 0.10                    |
| <b>Capital Reserve</b>                                                                    | <b>990.16</b>           |





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

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

Previous year presented has been restated as under :

| <b>Restated Balance Sheet as on March 31, 2024</b>              |                                           |                                                     |                                      |
|-----------------------------------------------------------------|-------------------------------------------|-----------------------------------------------------|--------------------------------------|
| <b>Particulars</b>                                              | <b>Reported As on<br/>March 31, 2024*</b> | <b>Impact pursuant to<br/>scheme of arrangement</b> | <b>March 31, 2024<br/>(Restated)</b> |
| <b>Assets</b>                                                   |                                           |                                                     |                                      |
| <b>I Non-current assets</b>                                     |                                           |                                                     |                                      |
| Property, plant and equipment                                   | -                                         | 16.44                                               | 16.44                                |
| Right-of-use assets                                             | -                                         | 12.64                                               | 12.64                                |
| Intangible assets                                               | -                                         | 0.94                                                | 0.94                                 |
| Financial assets                                                |                                           |                                                     |                                      |
| (i) Investments                                                 | -                                         | 25.79                                               | 25.79                                |
| (ii) Loans                                                      | -                                         | 251.72                                              | 251.72                               |
| (iii) Other financial assets                                    | -                                         | 2.96                                                | 2.96                                 |
| Deferred tax assets (net)                                       | -                                         | 37.85                                               | 37.85                                |
| Other non-current assets                                        | -                                         | 80.56                                               | 80.56                                |
| <b>Total non-current assets</b>                                 | -                                         | <b>428.90</b>                                       | <b>428.90</b>                        |
| <b>II Current assets</b>                                        |                                           |                                                     |                                      |
| Inventories                                                     | -                                         | 41.71                                               | 41.71                                |
| Financial assets                                                |                                           |                                                     |                                      |
| (i) Trade receivables                                           | -                                         | 814.06                                              | 814.06                               |
| (ii) Cash and cash equivalents                                  | 0.02                                      | 50.00                                               | 50.02                                |
| (iii) Other financial assets                                    | -                                         | 32.21                                               | 32.21                                |
| Contract assets                                                 | -                                         | 1,407.15                                            | 1,407.15                             |
| Other current assets                                            | -                                         | 103.17                                              | 103.17                               |
| <b>Total current assets</b>                                     | <b>0.02</b>                               | <b>2,448.30</b>                                     | <b>2,448.32</b>                      |
| <b>Total assets</b>                                             | <b>0.02</b>                               | <b>2,877.20</b>                                     | <b>2,877.22</b>                      |
| <b>Equity and Liabilities</b>                                   |                                           |                                                     |                                      |
| <b>I Equity</b>                                                 |                                           |                                                     |                                      |
| Equity share capital (including share capital suspense account) | 0.10                                      | 97.48                                               | 97.58                                |
| Other equity                                                    | (0.10)                                    | 1,033.70                                            | 1,033.60                             |
| <b>Total equity</b>                                             | -                                         | <b>1,131.18</b>                                     | <b>1,131.18</b>                      |
| <b>Liabilities</b>                                              |                                           |                                                     |                                      |
| <b>II Non-current liabilities</b>                               |                                           |                                                     |                                      |
| Financial liabilities                                           |                                           |                                                     |                                      |
| (i) Borrowings                                                  | -                                         | 40.77                                               | 40.77                                |
| (ii) Lease liabilities                                          | -                                         | 14.98                                               | 14.98                                |
| Employee benefit obligations                                    | -                                         | 3.36                                                | 3.36                                 |
| <b>Total non-current liabilities</b>                            | -                                         | <b>59.11</b>                                        | <b>59.11</b>                         |
| <b>III Current liabilities</b>                                  |                                           |                                                     |                                      |
| Financial liabilities                                           |                                           |                                                     |                                      |
| (i) Borrowings                                                  | -                                         | 281.50                                              | 281.50                               |
| (ii) Lease liabilities                                          | -                                         | 1.66                                                | 1.66                                 |
| (iii) Trade payables                                            |                                           |                                                     |                                      |
| (a) total outstanding dues of micro and small enterprises       | -                                         | 93.55                                               | 93.55                                |
| (b) total outstanding dues other (iii)(a) above                 | 0.01                                      | 1,158.45                                            | 1,158.46                             |
| (iv) Other financial liabilities                                | 0.01                                      | 21.10                                               | 21.11                                |
| Contract liabilities                                            | -                                         | 123.07                                              | 123.07                               |
| Other current liabilities                                       | -                                         | 0.71                                                | 0.71                                 |
| Income tax liabilities (net)                                    | -                                         | 0.22                                                | 0.22                                 |
| Employee benefit obligations                                    | -                                         | 6.65                                                | 6.65                                 |
| <b>Total current liabilities</b>                                | <b>0.02</b>                               | <b>1,686.91</b>                                     | <b>1,686.93</b>                      |
| <b>Total liabilities</b>                                        | <b>0.02</b>                               | <b>1,746.02</b>                                     | <b>1,746.04</b>                      |
| <b>Total equity and liabilities</b>                             | <b>0.02</b>                               | <b>2,877.20</b>                                     | <b>2,877.22</b>                      |

\* As per financial statements issued on May 21, 2024.



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

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

**Restated Statement of profit and loss for the year ended March 31, 2024**

| Particulars                                                                                     | Reported for the year ended<br>March 31, 2024* | Impact pursuant to<br>scheme of arrangement | For the year ended<br>March 31, 2024<br>(Restated) |
|-------------------------------------------------------------------------------------------------|------------------------------------------------|---------------------------------------------|----------------------------------------------------|
| Revenue from operations                                                                         | -                                              | 1,302.93                                    | 1,302.93                                           |
| Other income                                                                                    | -                                              | 22.99                                       | 22.99                                              |
| <b>Total income (I)</b>                                                                         | <b>-</b>                                       | <b>1,325.92</b>                             | <b>1,325.92</b>                                    |
| <b>Expenses</b>                                                                                 |                                                |                                             |                                                    |
| Cost of components and bought-outs consumed                                                     | -                                              | 427.43                                      | 427.43                                             |
| Other direct costs                                                                              | -                                              | 591.80                                      | 591.80                                             |
| Employee benefits expense                                                                       | -                                              | 120.92                                      | 120.92                                             |
| Net impairment losses on financial assets                                                       | -                                              | 7.17                                        | 7.17                                               |
| Other expenses                                                                                  | 0.02                                           | 43.73                                       | 43.75                                              |
| <b>Total expenses (II)</b>                                                                      | <b>0.02</b>                                    | <b>1,191.05</b>                             | <b>1,191.07</b>                                    |
| <b>Earnings before interest, tax, depreciation and amortisation<br/>(EBITDA) (III = I - II)</b> | <b>(0.02)</b>                                  | <b>134.87</b>                               | <b>134.85</b>                                      |
| Depreciation and amortisation expense                                                           | -                                              | 10.81                                       | 10.81                                              |
| Finance costs                                                                                   | -                                              | 67.41                                       | 67.41                                              |
| <b>Profit before tax (IV)</b>                                                                   | <b>(0.02)</b>                                  | <b>56.65</b>                                | <b>56.63</b>                                       |
| <b>Income tax expense/(credit):</b>                                                             |                                                |                                             |                                                    |
| Current tax                                                                                     | -                                              | 29.02                                       | 29.02                                              |
| Deferred tax                                                                                    | -                                              | (14.56)                                     | (14.56)                                            |
| <b>Total Income tax expense (V)</b>                                                             | <b>-</b>                                       | <b>14.46</b>                                | <b>14.46</b>                                       |
| <b>Profit for the year (VI = IV - V)</b>                                                        | <b>(0.02)</b>                                  | <b>42.19</b>                                | <b>42.17</b>                                       |
| <b>Other comprehensive income</b>                                                               |                                                |                                             |                                                    |
| <b>Items that will not be reclassified to profit or loss in subsequent periods:</b>             |                                                |                                             |                                                    |
| Remeasurements of defined employee benefits plans                                               | -                                              | (0.87)                                      | (0.87)                                             |
| Income tax effect on the above                                                                  | -                                              | 0.22                                        | 0.22                                               |
| <b>Net other comprehensive income/(loss) (VII)</b>                                              | <b>-</b>                                       | <b>(0.65)</b>                               | <b>(0.65)</b>                                      |
| <b>Total comprehensive income for the year (VIII = VI + VII)</b>                                | <b>(0.02)</b>                                  | <b>41.54</b>                                | <b>41.52</b>                                       |

\* As per financial statements issued on May 21, 2024.



## STL NETWORKS LIMITED

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

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

#### 45 Transactions with Struck off companies

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

#### 46 Corporate Social Responsibility (CSR)

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 Company as it did not meet the applicability criteria based on the audited financial statements of the immediately preceding financial year.

#### 47 Segment reporting

The Company has presented segment information in the Consolidated Financial Statements which are part of the same annual report. Accordingly, in terms of provisions of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in these Standalone Financial Statements.

As per our report of even date

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



Sachin Parakh  
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





# Price Waterhouse Chartered Accountants LLP

## Independent Auditor's Report

### To the Members of STL Networks Limited

### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of STL Networks Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

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

#### Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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Registered office and Head office: 11-A, Vishnu Digamber Marg, Sucheta Bhawan, Gate No 2, 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 AUDITOR'S REPORT

To the Members of STL Networks Limited

Report on the Audit of the Financial Statements

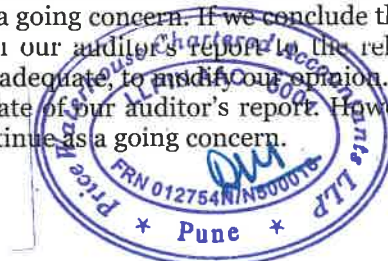
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### Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of STL Networks Limited

Report on the Audit of the Financial Statements

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### Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, 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 11(b) above on reporting under Section 143(3)(b) and paragraph 11(h)(vi) below on reporting under Rule 11(g) of the Rules
  - (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2024.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 23 to the 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 Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of STL Networks Limited

Report on the Audit of the Financial Statements

Page 4 of 4

- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 23 to the 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 Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in Note 23 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared any dividend during the year.
- vi. Based on our examination, which included test checks, the Company used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all transactions, except that the audit trail is not maintained for certain type of transactions and changes made by certain users with specific access and for direct data changes at the database level. Further, during the course of performing our procedures, we did not notice any instance of the audit trail feature being tampered with in the accounting software. With respect to another accounting software the audit trail feature was not enabled for the entire year and accordingly the question of whether the audit trail operated throughout the year for all transactions or whether there was any instance of the audit trail feature been tampered with does not arise.
12. The Company has not paid/ provided for managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Disha Maheshwari

Partner

Membership Number: 110159

UDIN: 24110159BKGXLQ2474

Place: Pune

Date: May 21, 2024



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the members of STL Networks Limited on the financial statements for the year ended March 31, 2024  
Page 1 of 2

### Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of STL Networks Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 11(g) of the Independent Auditor's Report of even date to the members of STL Networks Limited on the financial statements for the year ended March 31, 2024

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

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Disha Maheshwari  
Partner  
Membership Number: 110159  
UDIN: 24110159BKGXLQ2474  
Place: Pune  
Date: May 21, 2024

# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditor's Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of STL Networks Limited on the financial statements as of and for the year ended March 31, 2024  
Page 1 of 5

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) The Company does not have any Property, Plant and Equipment (including Right of Use asset) and Intangible assets. Accordingly, reporting under clause 3(i)(a)(A), (i)(a)(B), (i)(b), (i)(c), (i)(d) and (i)(e) of the Order is not applicable to the Company.
- ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.  
  
(b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.



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

# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditor's Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of STL Networks Limited on the financial statements for the year ended March 31, 2024

Page 2 of 5

- vii. (a) In our opinion, except for dues in respect of income tax, the Company is regular in depositing undisputed statutory dues, including any other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2024, for a period of more than six months from the date they became payable are as follows:

| Name of the statute | Nature of dues         | Amount (Rs.) | Period to which the amount relates | Due date   | Date of Payment | Remarks, if any |
|---------------------|------------------------|--------------|------------------------------------|------------|-----------------|-----------------|
| Income Tax          | Tax Deducted at Source | 10,000       | March 2023                         | 30/04/2023 | 24/04/2024      | NA              |
| Income Tax          | Tax Deducted at Source | 5,000        | May 2023                           | 06/07/2023 | 24/04/2024      | NA              |

- (b) There are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority. (Also refer Note 24 of the financial statements)
- (c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short-term basis. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.





# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditor's Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of STL Networks Limited on the financial statements for the year ended March 31, 2024

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- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Act.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditor's Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of STL Networks Limited on the financial statements for the year ended March 31, 2024  
Page 4 of 5

- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses of Rs. 1,838 hundred in the financial year and of Rs. 1,419 hundred in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditor's Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of STL Networks Limited on the financial statements for the year ended March 31, 2024  
Page 5 of 5

- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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



Disha Maheshwari  
Partner  
Membership Number: 110159  
UDIN: 24110159BKGXLQ2474  
Place : Pune  
Date: May 21, 2024

**STL Networks Limited**  
**BALANCE SHEET AS AT MARCH 31, 2024**  
(All amounts are in INR hundreds, unless otherwise stated)

|                                                                                            | Note | 31 March 2024 | 31 March 2023 |
|--------------------------------------------------------------------------------------------|------|---------------|---------------|
| <b>ASSETS</b>                                                                              |      |               |               |
| <b>Current assets</b>                                                                      |      |               |               |
| <b>Financial assets</b>                                                                    |      |               |               |
| (i) Cash and cash equivalents                                                              | 3    | 1,768         | 4,513         |
| (ii) Other current financial assets                                                        | 4    | 1,125         | -             |
| <b>Total Current Assets</b>                                                                |      | <b>2,893</b>  | <b>4,513</b>  |
| <b>Total Assets</b>                                                                        |      | <b>2,893</b>  | <b>4,513</b>  |
| <b>EQUITY AND LIABILITIES</b>                                                              |      |               |               |
| <b>Equity</b>                                                                              |      |               |               |
| Equity share capital                                                                       | 5    | 5,000         | 5,000         |
| Other Equity                                                                               | 6    | (4,745)       | (2,906)       |
| <b>Total Equity</b>                                                                        |      | <b>255</b>    | <b>2,094</b>  |
| <b>Current liabilities</b>                                                                 |      |               |               |
| <b>Financial liabilities</b>                                                               |      |               |               |
| (i) Trade payables                                                                         | 7    | -             | -             |
| (A) total outstanding dues of micro enterprises and small enterprises (refer note 17)      |      |               |               |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises |      | 1,143         | 1,080         |
| (ii) Others                                                                                | 8    | 1,239         | 1,239         |
| Other current liabilities                                                                  | 9    | 256           | 100           |
| <b>Total Current Liabilities</b>                                                           |      | <b>2,637</b>  | <b>2,419</b>  |
| <b>Total Liabilities</b>                                                                   |      | <b>2,637</b>  | <b>2,419</b>  |
| <b>Total Equity &amp; Liabilities</b>                                                      |      | <b>2,893</b>  | <b>4,513</b>  |
| Summary of material accounting policies                                                    | 2    |               |               |

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

*Disha Maheshwari*

**Disha Maheshwari**  
Partner  
Membership Number: 110159

Place : Pune  
Date : May 21, 2024

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

*Praveen Cherian*

**Praveen Cherian**  
Director  
DIN: 01991389

Place : Pune  
Date : May 21, 2024

*Gopal Chandra Rastogi*

**Gopal Chandra Rastogi**  
Director  
DIN: 10302407



STL Networks Limited  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 March 2024  
(All amounts are in INR hundreds, unless otherwise stated)

|                                                                                                           | Note | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|-----------------------------------------------------------------------------------------------------------|------|-------------------------------------|-------------------------------------|
| <b>INCOME</b>                                                                                             |      |                                     |                                     |
| Revenue from Operations                                                                                   |      | -                                   | -                                   |
| <b>Total Income (I)</b>                                                                                   |      | -                                   | -                                   |
| <b>EXPENSES</b>                                                                                           |      |                                     |                                     |
| Other expenses                                                                                            | 10   | 1,838.44                            | 1,419                               |
| <b>Total Expense (II)</b>                                                                                 |      | <u>1,838.44</u>                     | <u>1,419</u>                        |
| <b>Earnings before exceptional item, interest, tax, depreciation and amortisation (EBITDA) (I) - (II)</b> |      | (1,838)                             | (1,419)                             |
| Depreciation and amortisation expenses                                                                    |      | -                                   | -                                   |
| Finance Cost                                                                                              |      | -                                   | -                                   |
| <b>Loss Before Tax</b>                                                                                    |      | <u>(1,838)</u>                      | <u>(1,419)</u>                      |
| <b>Tax expense:</b>                                                                                       |      |                                     |                                     |
| Current tax                                                                                               | 12   | -                                   | -                                   |
| Deferred tax                                                                                              |      | -                                   | -                                   |
| <b>Total tax expenses</b>                                                                                 |      | <u>(1,838)</u>                      | <u>(1,419)</u>                      |
| <b>Loss for the year</b>                                                                                  |      | <u>(1,838)</u>                      | <u>(1,419)</u>                      |
| Other Comprehensive income                                                                                |      | -                                   | -                                   |
| <b>Total Comprehensive income for the year</b>                                                            |      | <u>(1,838)</u>                      | <u>(1,419)</u>                      |
| <b>Loss per equity share</b>                                                                              |      |                                     |                                     |
| Basic and diluted                                                                                         |      |                                     |                                     |
| Computed on the basis of loss for the year                                                                | 13   | (0.04)                              | (0.03)                              |
| Summary of material accounting policies                                                                   | 2    |                                     |                                     |

The accompanying notes are an integral part of the financial statements

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

  
Disha Maheshwari  
Partner  
Membership Number: 110159

Place : Pune  
Date : May 21, 2024

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

  
Praveen Cherian  
Director  
DIN: 01991389

Place : Pune  
Date : May 21, 2024

  
Gopal Chandra Rastogi  
Director  
DIN: 10302407



**STL Networks Limited**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024**  
(All amounts are in INR hundreds, unless otherwise stated)

|                                                                          | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|--------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>A. Operating Activities</b>                                           |                                     |                                     |
| Profit/(Loss) before tax                                                 | (1,838)                             | (1,419)                             |
| Adjustments to reconcile profit before tax to net cash flows:            | -                                   | -                                   |
| <b>Operating Profit/(Loss) before Working Capital Changes</b>            | <b>(1,838)</b>                      | <b>(1,419)</b>                      |
| Working Capital Adjustments:                                             |                                     |                                     |
| Increase/(Decrease) in Trade Payables                                    | 63                                  | 1,519                               |
| Increase/(Decrease) in Other Current Liability                           | 156                                 | (100)                               |
| (Increase)/Decrease in Other Financial Assets                            | (1,125)                             | -                                   |
| <b>Cash generated from/(used in) operations</b>                          | <b>(2,745)</b>                      | <b>-</b>                            |
| Income Taxes Paid (net of refunds)                                       | -                                   | -                                   |
| <b>Net Cash generated from/(used in) operating activities (A)</b>        | <b>(2,745)</b>                      | <b>-</b>                            |
| <b>B. Investing Activities</b>                                           |                                     |                                     |
| Net cash generated from/(used in) operating activities (B)               | -                                   | -                                   |
| <b>C. Financing Activities</b>                                           |                                     |                                     |
| Net cash inflow/(outflow) from financing activities (C)                  | -                                   | -                                   |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>      | <b>(2,745)</b>                      | <b>-</b>                            |
| Cash and cash equivalents as at the beginning of the year (Refer note 3) | 4,513                               | 4,513                               |
| <b>Cash and cash equivalents as at the year end (Refer note 3)</b>       | <b>1,768</b>                        | <b>4,513</b>                        |
| <b>Components of cash and cash equivalents:</b>                          | <b>31 March 2024</b>                | <b>31 March 2023</b>                |
| Balances with banks :                                                    | 1,768                               | 4,513                               |
| <b>Total cash and cash equivalents</b>                                   | <b>1,768</b>                        | <b>4,513</b>                        |

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

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

*Disha*

**Disha Maheshwari**  
Partner  
Membership Number: 110159

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

*Praveen Cherian*

**Praveen Cherian**  
Director  
DIN: 01991389

*Gopal*

**Gopal Chandra Rastogi**  
Director  
DIN: 10302407

Place: Pune  
Date : May 21, 2024

Place: Pune  
Date : May 21, 2024





STL Networks Limited  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 March 2024  
(All amounts are in INR hundreds, unless otherwise stated)

A. Equity share capital

Equity Shares of Rs. 10 each (issued, subscribed and fully paid)

At March 31, 2022

Changes in equity share capital

At March 31, 2023

Changes in equity share capital

At 31 March 2024

Note

|                   | Nos    | Amount |
|-------------------|--------|--------|
| At March 31, 2022 | 50,000 | 5,000  |
| At March 31, 2023 | 50,000 | 5,000  |
| At 31 March 2024  | 50,000 | 5,000  |

B. Other equity

At March 31, 2022

Loss for the year

Other Comprehensive Income for the year

At March 31, 2023

Loss for the year

Other Comprehensive Income for the year

At 31 March 2024

| Reserves and surplus | Total   |
|----------------------|---------|
| Retained Earnings    |         |
| (1,487)              | (1,487) |
| (1,419)              | (1,419) |
| -                    | -       |
| (2,906)              | (2,906) |
| (1,838)              | (1,838) |
| -                    | -       |
| (4,745)              | (4,745) |

Summary of material accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N/N500016

*Disha Maheshwari*

Disha Maheshwari

Partner

Membership Number: 110159

Place : Pune

Date : May 21, 2024

For and on behalf of the board of directors of

STL Networks Limited

*Praveen Cherian*

Praveen Cherian

Director

DIN: 01991389

Place : Pune

Date : May 21, 2024

*Gopal Chandra Rastogi*

Gopal Chandra Rastogi

Director

DIN: 10302407





STL Networks Limited  
Notes to financial statements for the year ended 31 March 2024  
(All amounts are in INR hundreds, unless otherwise stated)

**NOTE 3: CASH AND CASH EQUIVALENTS**

|                                        | 31 March 2024 | 31 March 2023 |
|----------------------------------------|---------------|---------------|
| Balances with banks:                   |               |               |
| In current accounts                    | 1,768         | 4,513         |
| <b>Total cash and cash equivalents</b> | <b>1,768</b>  | <b>4,513</b>  |

**NOTE 4: OTHER CURRENT FINANCIAL ASSETS**

|                                             | 31 March 2024 | 31 March 2023 |
|---------------------------------------------|---------------|---------------|
| Other Receivables                           | 1,125         |               |
| <b>Total Other Current Financial Assets</b> | <b>1,125</b>  |               |

**NOTE 5: SHARE CAPITAL**

|                                                                      | 31 March 2024 | 31 March 2023 |
|----------------------------------------------------------------------|---------------|---------------|
| Authorised equity share capital (50,000 equity shares of Rs.10 each) |               |               |
| No. of Shares                                                        | 50,000        | 50,000        |
| Total authorised equity share capital                                | 5,000         | 5,000         |
| <b>Issued, subscribed and fully paid-up share capital</b>            | <b>5,000</b>  | <b>5,000</b>  |
| 50,000 equity shares of Rs. 10 each fully paid up                    | 5,000         | 5,000         |
| <b>Total issued, subscribed and fully paid-up share capital</b>      | <b>5,000</b>  | <b>5,000</b>  |

**a. Movement in equity share capital**

|                                                  | 31 March 2024 |        | 31 March 2023 |        |
|--------------------------------------------------|---------------|--------|---------------|--------|
|                                                  | Nos           | Amount | Nos           | Amount |
| Outstanding at the beginning and end of the year | 50,000        | 5,000  | 50,000        | 5,000  |

**b. Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Shares of the company held by holding company**

|                                                                                         | 31 March 2024 |           | 31 March 2023 |           |
|-----------------------------------------------------------------------------------------|---------------|-----------|---------------|-----------|
|                                                                                         | Numbers       | % holding | Numbers       | % holding |
| Immediate holding company<br>Sterlite Technologies Limited and its nominee shareholders | 50,000        | 100%      | 50,000        | 100%      |

**d. Detail of shareholders holding more than 5% of shares in the company**

|                                                            | 31 March 2024 |           | 31 March 2023 |           |
|------------------------------------------------------------|---------------|-----------|---------------|-----------|
|                                                            | Numbers       | % holding | Numbers       | % holding |
| Sterlite Technologies Limited and its nominee shareholders | 50,000        | 100%      | 50,000        | 100%      |

**e. Detail of shareholding of promoters:**

| Name of Promoters             | No. of Shares as at 31 March 2024 | No. of Shares as at 31 March 2023 | % change during the year ended 31 March 2024 |
|-------------------------------|-----------------------------------|-----------------------------------|----------------------------------------------|
| Sterlite Technologies Limited | 50,000                            | 50,000                            | -                                            |



*Signature*

*Signature*



STL Networks Limited  
Notes to financial statements for the year ended 31 March 2024  
(All amounts are in INR hundreds, unless otherwise stated)  
**NOTE 6 : OTHER EQUITY**

Retained earnings  
Opening balance  
Add: Net Loss for the year  
Closing balance  
Total retained earnings

| 31 March 2024 | 31 March 2023 |
|---------------|---------------|
| (2,906)       | (1,487)       |
| (1,838)       | (1,419)       |
| (4,745)       | (2,906)       |
| (4,745)       | (2,906)       |

Total other equity

|         |         |
|---------|---------|
| (4,745) | (2,906) |
|---------|---------|

**NOTE 7: TRADE PAYABLES**

Current  
Trade payables: micro and small enterprises  
Trade payables to related parties  
Trade payable Others  
Total trade payable

| 31 March 2024 | 31 March 2023 |
|---------------|---------------|
| -             | -             |
| 1,143         | 1,080         |
| 1,143         | 1,080         |

The above amount includes

As at 31 March 2024

| Particulars                                 | Not Due | Less than year | 1-2 Years | 2-3 Years | More than 3 years | Grand Total |
|---------------------------------------------|---------|----------------|-----------|-----------|-------------------|-------------|
| Trade payables: micro and small enterprises | -       | -              | -         | -         | -                 | -           |
| Trade payables to related parties           | -       | -              | -         | -         | -                 | -           |
| Trade payables: others                      | 1,143   | -              | -         | -         | -                 | 1,143       |
| Total                                       | 1,143   | -              | -         | -         | -                 | 1,143       |

As at 31 March 2023

| Particulars                                 | Not Due | Less than year | 1-2 Years | 2-3 Years | More than 3 years | Grand Total |
|---------------------------------------------|---------|----------------|-----------|-----------|-------------------|-------------|
| Trade payables: micro and small enterprises | -       | -              | -         | -         | -                 | -           |
| Trade payables to related parties           | -       | -              | -         | -         | -                 | -           |
| Trade payables: others                      | 1,080   | -              | -         | -         | -                 | 1,080       |
| Total                                       | 1,080   | -              | -         | -         | -                 | 1,080       |

**NOTE 8: FINANCIAL LIABILITIES - OTHERS**

Current  
Reimbursement for Expenses Payable (Refer Note 15 (C))

| 31 March 2024 | 31 March 2023 |
|---------------|---------------|
| 1,239         | 1,239         |
| 1,239         | 1,239         |

**NOTE 9: OTHER CURRENT LIABILITIES**

Withholding taxes (TDS) payable  
Total other current liabilities

| 31 March 2024 | 31 March 2023 |
|---------------|---------------|
| 256           | 100           |
| 256           | 100           |

*[Handwritten signatures]*



STL Networks Limited  
Notes to financial statements for the year ended 31 March 2024  
(All amounts are in INR hundreds, unless otherwise stated)

**NOTE 10: OTHER EXPENSES**

|                                        | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|----------------------------------------|-------------------------------------|-------------------------------------|
| Rates and Taxes                        | 288                                 | 419                                 |
| Payment to auditor (see note 11 below) | 1,550                               | 1,000                               |
| <b>Total other expenses</b>            | <b>1,838</b>                        | <b>1,419</b>                        |

**Note 11 : Payment to auditor**

|                                 |              |              |
|---------------------------------|--------------|--------------|
| As auditor:                     |              |              |
| Statutory Audit fee             | 1,050        | 1,000        |
| Certification fee               | 500          | -            |
| <b>Total payment to auditor</b> | <b>1,550</b> | <b>1,000</b> |

**NOTE 12: TAX EXPENSES**

|                        | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|------------------------|-------------------------------------|-------------------------------------|
| (a) Income tax expense |                                     |                                     |
| - Current tax expense  | -                                   | -                                   |
| - Deferred tax expense | -                                   | -                                   |

**(b) Reconciliation of tax expense & accounting profit multiplied by statutory tax rate for**

|                                                     | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|-----------------------------------------------------|-------------------------------------|-------------------------------------|
| Loss before tax                                     | (1,838)                             | (1,419)                             |
| Applicable tax rate                                 | 25.17%                              | 25.17%                              |
| Computed tax expense                                | (463)                               | (357)                               |
| Tax losses for which no deferred tax was recognised | (463)                               | (357)                               |
| Tax Expense                                         | -                                   | -                                   |
| Tax Expense as per statement of profit and loss     | -                                   | -                                   |

The company has not recognised deferred tax asset on business losses as the company is not likely to generate taxable income in the foreseeable future. These unused tax losses can be carried forward for period of 8 years as per the provisions of Income Tax Act, 1961.  
Considering loss incurred during the year and lack of probability of future recovery of losses incurred, tax expense for the year is Nil.

**NOTE 13: LOSS PER SHARE**

Basic loss per share are calculated by dividing the loss for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year. The following tables shows the computation of basic loss per share:

|                                                                                          | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| (a) Basic Loss per share                                                                 |                                     |                                     |
| Loss for the year                                                                        | (1,838)                             | (1,419)                             |
| Weighted average number of equity shares in calculating basic and diluted loss per share | 50,000                              | 50,000                              |
| Loss per share                                                                           |                                     |                                     |
| Basic (on nominal value of Rs. 10 per share) Rupees/share                                | (0.04)                              | (0.03)                              |

There are no potential equity shares, hence diluted loss per share not applicable to the company

**NOTE 14: FAIR VALUE MEASUREMENT**

All the financial instruments of the entity are classified at amortised cost. The management assessed that cash and cash equivalents, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and therefore carrying value of these instruments is considered to be the same as fair value. These instruments are included in level 3.



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**STL Networks Limited**

Notes to financial statements for the year ended 31 March 2024

(All amounts are in INR hundreds, unless otherwise stated)

**NOTE 15: RELATED PARTY TRANSACTIONS****A. Parent Entities**

The group is controlled by the following entity:

| Name                                  | Type                         |
|---------------------------------------|------------------------------|
| Sterlite Technologies Limited         | Immediate Holding Company    |
| Twin Star Overseas Limited, Mauritius | Intermediate Holding Company |
| Volcan Investments Limited, Bahamas   | Ultimate Holding Company     |
| Anil Agarwal Discretionary Trust      | Ultimate Parent Entity       |

**Note on ultimate holding company**

Sterlite Technologies Limited is a majority-owned and controlled subsidiary of Twin Star Overseas Limited (Twin Star). Volcan Investments Limited ("Volcan") holds 100 % of the share capital and 100 % of the voting rights of Twin Star. Volcan 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, Volcan Investments Limited, and Anil Agarwal Discretionary Trust do not produce Group financial statements.

**Key management personnel (KMP)**

Ankit Agarwal - Director  
 Badri Gomatain - Director (Upto April 14, 2023)  
 Sumit Mukherjee - Director (Upto April 14, 2023)  
 Pankaj Aggarwal - Director (Upto August 31, 2023)  
 Praveen Cherian - Director (from April 14, 2023)  
 Gopal Chandra Rastogi - Director (from August 31, 2023)

B. There are no transaction with related party during the current and previous year.

C. Balances outstanding with related parties as at the reporting dates:

| Party name (Balance details)                                      | Relationship              | For the year ended<br>31 March 2024 | For the year ended<br>31 March 2023 |
|-------------------------------------------------------------------|---------------------------|-------------------------------------|-------------------------------------|
| Sterlite Technologies Limited (Reimbursement of Expenses Payable) | Immediate Holding company | 1,239                               | 1,239                               |
| <b>Outstanding balance</b>                                        |                           | <b>1,239</b>                        | <b>1,239</b>                        |

**NOTE 16: FINANCIAL RISK MANAGEMENT**

The Company does not have any operations. The Company's principal financial assets include cash and cash equivalents and financial liabilities in the nature of trade payables and Statutory dues.

Currently the company has adopted the risk management policies as defined by its holding company to manage risk's relevant to its operations. Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's maximum exposure to credit risk for the components of the balance sheet of 31 March 2024 is the carrying amount of each class of financial assets.

**Credit risk**

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

**Liquidity Risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its obligations. Also, the company has received the letter of support dated May 08, 2024 from its holding company Sterlite technologies Limited for all necessary financial as well as operation support.

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

| Particulars                   | Less than 1 Year | 1-2 years  | 2-3 years    | Total        |
|-------------------------------|------------------|------------|--------------|--------------|
| <b>As at March 31, 2024</b>   |                  |            |              |              |
| Trade payables                | 1,143            | -          | -            | 1,143        |
| Financial Liability (current) | -                | -          | 1,239        | 1,239        |
| Other current liabilities     | 155              | 100        | -            | 255          |
|                               | <b>1,298</b>     | <b>100</b> | <b>1,239</b> | <b>2,637</b> |

| Particulars                   | Less than 1 Year | 1-2 years    | 2-3 years | Total        |
|-------------------------------|------------------|--------------|-----------|--------------|
| <b>As at March 31, 2023</b>   |                  |              |           |              |
| Trade payables                | 1,080            | -            | -         | 1,080        |
| Financial Liability (current) | -                | 1,239        | -         | 1,239        |
| Other current liabilities     | 100              | -            | -         | 100          |
|                               | <b>1,180</b>     | <b>1,239</b> | <b>-</b>  | <b>2,419</b> |



*Praveen Cherian*  
*Praveen*

**STL Networks Limited**

Notes to financial statements for the year ended 31 March 2024

(All amounts are in INR hundreds, unless otherwise stated)

**NOTE 17: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006**

There are no micro enterprises and small enterprises, to whom the company owes dues, which are outstanding as at 31 March 2024 and PY as at 31 March 2023. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

**NOTE 18: CRITICAL ESTIMATES AND JUDGEMENTS**

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

**NOTE 19: SEGMENT REPORTING**

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

**NOTE 20: TRANSACTIONS WITH STRUCK OFF COMPANY**

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

**NOTE 21: FINANCIAL PERFORMANCE RATIOS**

| Particulars                                                                                       | 31 March 2024 | 31 March 2023 | Variance | Reasons for Variance                                                                                               |
|---------------------------------------------------------------------------------------------------|---------------|---------------|----------|--------------------------------------------------------------------------------------------------------------------|
| <b>A. Performance Ratios</b>                                                                      |               |               |          |                                                                                                                    |
| Return on Capital Employed (iii)<br>(Profit before interest and tax) / (Closing capital employed) | -36.77%       | -28.38%       | 30%      | Decrease in the Return on Capital Employed is on account of the increased loss during the year.                    |
| Return on Equity Ratio (iv)<br>(Profit after tax) / (Closing shareholder's equity)                | -719.38%      | -67.77%       | 962%     | Increase on account of increased loss during the year.                                                             |
| Return on investment (v)<br>(Earnings before interest and tax) / (Closing total assets)           | -63.55%       | -31.44%       | 102%     | Increase on account of increased loss during the year.                                                             |
| <b>B. Leverage Ratios</b>                                                                         |               |               |          |                                                                                                                    |
| Debt-Equity Ratio<br>(Total debt) / (Total equity)                                                | -             | -             | -        | -                                                                                                                  |
| <b>C. Liquidity Ratios</b>                                                                        |               |               |          |                                                                                                                    |
| Current Ratio<br>(Current assets) / (Current liabilities)                                         | 1.10          | 1.87          | -41%     | The decrease in the liquidity ratio is on account of the increase in the other current liabilities of the company. |





**NOTE 22: CONTINGENT LIABILITIES**

There is no contingent liabilities outstanding as at the end of the year (31 March 2023: NIL)

**NOTE 23: ULTIMATE BENEFICIARY CLAUSE**

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

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

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

- a. 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;
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

**NOTE 24: WILFUL DEFAULTER CLAUSE**

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

**NOTE 25: CORPORATE SOCIAL RESPONSIBILITY**

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

**NOTE 26: BENAMI TRANSACTIONS (PROHIBITION) ACT, 1988**

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

**NOTE 27: CAPITAL AND OTHER COMMITMENTS**

The company does not have any contract that is remaining to be executed on capital account.

**NOTE 28: DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

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

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

**NOTE 30: COMPLIANCE WITH APPROVED SCHEME OF ARRANGEMENTS**

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

**NOTE 31: COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES**

The company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies( Restriction of number of layers) Rules, 2017

**Note 32: UNDISCLOSED INCOME**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the

**NOTE 33: PROPOSED DEMERGER SCHEME**

The Board of Directors of the Company at its meeting held on May 17, 2023 has considered and approved, subject to necessary approvals, a Scheme of Arrangement ("Scheme") between Sterlite Technologies Limited (the "Demerged Company" or "Holding Company") and STL Networks Limited (the "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 (as defined in the Scheme) consisting of Global Services Business (as defined in the Scheme) of the Demerged Company to the Company and consequent issuance of equity shares by the 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 Company.

The equity shares of the 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 Holding Company will be issued shares in the Company in the same proportion as their holding in the Holding Company. The Scheme is subject to necessary statutory and regulatory approvals, including the approval of Hon'ble National Company Law Tribunal, Mumbai Bench.

**NOTE 34: CAPITAL MANAGEMENT**

**Risk Management**

The Company's objectives when managing capital are to:

- Safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets.

During the previous year Company had raised Equity through share issue.

The company has received the letter of support dated May 08, 2024 from its holding company Sterlite technologies Limited for all necessary financial as well as operations support. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.



STL Networks Limited  
Notes to financial statements for the year ended 31 March 2024  
(All amounts are in INR hundreds, unless otherwise stated)

**NOTE 35: FAIR VALUES**

| Financial Instruments by Category  | 31 March 2024 |                 | 31 March 2023 |                 |
|------------------------------------|---------------|-----------------|---------------|-----------------|
|                                    | FVPL          | Amortized Cost  | FVPL          | Amortized Cost  |
| <b>Financial Assets</b>            |               |                 |               |                 |
| Cash and Cash Equivalents          | -             | 1,767.82        | -             | 4,512.81        |
| Other current financial assets     | -             | 1,125.00        | -             | -               |
| <b>Total Financial Assets</b>      | -             | <b>2,892.82</b> | -             | <b>4,512.81</b> |
| <b>Financial Liabilities</b>       |               |                 |               |                 |
| Other Financial Liabilities        | -             | 1,142.64        | -             | 1,080.00        |
| Trade Payables                     | -             | 1,239.00        | -             | 1,239.00        |
| <b>Total Financial Liabilities</b> | -             | <b>2,381.64</b> | -             | <b>2,319.00</b> |

Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of such financial assets and financial liabilities are considered to be the same as their fair values, due to their short term nature. These financial instruments are level 3.

NOTE 36: Previous year figures have been reclassified to conform to this year's classification.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No: 012754N/NS00016



Disha Maheshwari  
Partner  
Membership Number: 110159

Place : Pune  
Date : May 21, 2024

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



Praveen Cherian  
Director  
DIN: 01991389

Place : Pune  
Date : May 21, 2024



Gopal Chandra Rastogi  
Director  
DIN: 10302407





## STL Networks Limited

### Notes to Financial Statements for the period ended March 31, 2024

#### 1. Corporate information

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

#### 2. Material accounting policies

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

##### Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

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

##### Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

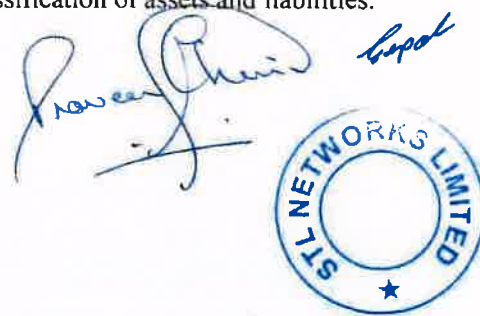
A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

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



## STL Networks Limited

### Notes to Financial Statements for the period ended March 31, 2024

#### a) Provisions and contingent liabilities

##### General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as interest expense.

#### b) Financial assets

##### i) Classification & Recognition:

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

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

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

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

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

##### ii) Measurement:

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

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

#### c) Financial liabilities

##### Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.



## STL Networks Limited

### Notes to Financial Statements for the period ended March 31, 2024

#### d) 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.

#### e) Cash and cash equivalents

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

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

#### f) Earnings per share

##### Basic earnings per share

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

##### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### g) Presentation of EBITDA

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

Accordingly, the Company has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance income, finance costs and tax expense.

#### h) Going Concern Assumptions

During the year, company has incurred a loss of INR 1,83,800 (FY 2022-2023: loss INR 1,41,000) and is carrying accumulated losses of INR 4,74,518 (FY 2022-2023: INR 2,90,618).

The Company's management has assessed that it will be able to meet its liabilities as and when they fall due. The company has also received the letter of support dated May 08, 2024 from its holding company Sterlite Technologies Limited for all necessary financial as well as operational support. Based on this management is of the opinion that the presentation of financial statements of the company on going concern basis is appropriate.

#### i) Rounding of amounts

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



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# Price Waterhouse Chartered Accountants LLP

## Independent Auditor's Report

### To the Members of STL Networks Limited

### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of STL Networks Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

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

#### Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/NS00016 (ICAI registration number before conversion was 012754N)

# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

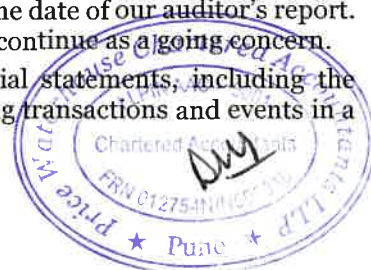
To the Members of STL Networks Limited  
Report on Audit of the Financial Statements  
Page 2 of 4

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

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of STL Networks Limited  
Report on Audit of the Financial Statements  
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9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.
    - ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2023.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of STL Networks Limited  
Report on Audit of the Financial Statements  
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- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 20 to the financial statements);
- (b) The management has represented that, to the best of its knowledge and belief, [other than] as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 20 to the financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for maintaining books of account in accounting software having a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
12. The Company has not paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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



Disha Maheshwari  
Partner  
Membership Number 110159  
UDIN: 23110159BGYVUY6178  
Place: Pune  
Date: May 17, 2023



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of STL Networks Limited on the financial statements for the year ended March 31, 2023  
Page 1 of 2

### Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of STL Networks Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of STL Networks Limited on the financial statements for the year ended March 31, 2023  
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### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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



Disha Maheshwari  
Partner  
Membership Number 110159  
UDIN: 23110159BGYVUY6178  
Place: Pune  
Date: May 17, 2023

# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of STL Networks on the financial statements as of and for the year ended March 31, 2023

Page 1 of 4

- i. There are no Property, Plant and Equipment (including Right of Use Asset) and Intangible Assets in the company, hence the requirement under Clause 3(i)(a), (b), (c), (d) and (e) of the Order are not applicable to the company and hence not commented upon.
- ii.
  - a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.
  - b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured/ unsecured loans or advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products / services of the Company.
- vii.
  - a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including income tax and other material statutory dues, as applicable, with the appropriate authorities.
  - b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix.
  - a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
  - b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority. (Also refer Note 21 to the financial statements)



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of STL Networks Limited on the financial statements for the year ended March 31, 2023.

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- c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
  - d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.
  - e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, the reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
  - f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, the reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x.
- a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
  - b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi.
- a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
  - b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
  - c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of STL Networks Limited on the financial statements for the year ended March 31, 2023.

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- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the company is not required to constitute an audit committee under section 177 of the Act, and accordingly the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv.
- a) The internal audit of the Company is covered under the group internal audit pursuant to which an internal audit is carried out every year. In our opinion, the Company's internal audit system is commensurate with the size and nature of its business.
- b) As there were no operations during the current year, the company has not carried out an internal audit during the year.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi.
- a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has incurred cash losses of Rs. 1,41,900 in the financial year and of Rs. 148,719 in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.





# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of STL Networks Limited on the financial statements for the year ended March 31, 2023.

Page 4 of 4

- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 18 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016



Disha Maheshwari

Partner

Membership Number 110159

UDIN: 23110159BGYVUY6178

Place: Pune

Date: May 17, 2023

**STL Networks Limited**  
**BALANCE SHEET AS AT MARCH 31, 2023**  
(All amounts are in INR hundreds, unless otherwise stated)

|                                                                                            | Note | 31 March 2023 | 31 March 2022 |
|--------------------------------------------------------------------------------------------|------|---------------|---------------|
| <b>ASSETS</b>                                                                              |      |               |               |
| <b>Current assets</b>                                                                      |      |               |               |
| Financial assets                                                                           |      |               |               |
| (i) Cash and cash equivalents                                                              |      |               |               |
| <b>Total Current Assets</b>                                                                | 3    | 4,513         | 4,513         |
|                                                                                            |      | <b>4,513</b>  | <b>4,513</b>  |
| <b>Total Assets</b>                                                                        |      | <b>4,513</b>  | <b>4,513</b>  |
| <b>EQUITY AND LIABILITIES</b>                                                              |      |               |               |
| <b>Equity</b>                                                                              |      |               |               |
| Equity share capital                                                                       |      |               |               |
| Other Equity                                                                               | 4    | 5,000         | 5,000         |
| <b>Total Equity</b>                                                                        | 5    | (2,906)       | (1,487)       |
|                                                                                            |      | <b>2,094</b>  | <b>3,513</b>  |
| <b>Current liabilities</b>                                                                 |      |               |               |
| Financial liabilities                                                                      |      |               |               |
| (i) Trade payables                                                                         |      |               |               |
| (A) total outstanding dues of micro enterprises and small enterprises (refer note 27)      | 6 A  | -             | -             |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises |      | 1,080         | 900           |
| (ii) Others                                                                                | 6 B  | 1,339         | -             |
| Other current liabilities                                                                  | 7    | -             | 100           |
| <b>Total Current Liabilities</b>                                                           |      | <b>2,419</b>  | <b>1,000</b>  |
| <b>Total Liabilities</b>                                                                   |      | <b>2,419</b>  | <b>1,000</b>  |
| <b>Total Equity &amp; Liabilities</b>                                                      |      | <b>4,513</b>  | <b>4,513</b>  |
| Summary of significant accounting policies                                                 | 2    |               |               |

The accompanying notes are an integral part of the financial statements

As per our report of even date

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



**Disha Maheshwari**  
Partner  
Membership Number: 110159

Place : Pune  
Date : May 17, 2023

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



**Ankit Agarwal**  
Director  
DIN: 03344202

Place : Pune  
Date : May 17, 2023



**Pankaj Agarwal**  
Director  
DIN: 0889216

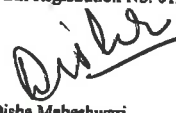


STL Networks Limited  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 March 2023  
(All amounts are in INR hundreds, unless otherwise stated)

|                                                                                                    | Note | For the year ended<br>31 March 2023 | From March 26, 2021 to<br>31 March 2022 |
|----------------------------------------------------------------------------------------------------|------|-------------------------------------|-----------------------------------------|
| <b>INCOME</b>                                                                                      |      |                                     |                                         |
| Revenue from Operations                                                                            |      | -                                   | -                                       |
| Other Income                                                                                       |      | -                                   | -                                       |
| Total Income (I)                                                                                   |      | -                                   | -                                       |
| <b>EXPENSES</b>                                                                                    |      |                                     |                                         |
| Cost of Raw Material Consumed                                                                      |      | -                                   | -                                       |
| (Increase) / decrease in inventories of work-in-progress                                           |      | -                                   | -                                       |
| Employee Benefit Expense                                                                           |      | -                                   | -                                       |
| Other expenses                                                                                     |      | -                                   | -                                       |
| Total Expense (II)                                                                                 | 8    | 1,419                               | 1,000                                   |
| Earnings before exceptional item, interest, tax, depreciation and amortisation (EBITDA) (I) - (II) |      | (1,419)                             | (1,000)                                 |
| Depreciation and Amortisation Expense                                                              |      | -                                   | -                                       |
| Finance costs                                                                                      |      | -                                   | -                                       |
| Loss before tax                                                                                    | 9    | (1,419)                             | 487                                     |
| Tax expense:                                                                                       |      |                                     | (1,487)                                 |
| Current tax                                                                                        |      | -                                   | -                                       |
| Deferred tax                                                                                       | 10   | -                                   | -                                       |
| Total tax expenses                                                                                 |      | -                                   | -                                       |
| Loss for the year / period                                                                         |      | (1,419)                             | (1,487)                                 |
| Earnings per equity share                                                                          |      |                                     |                                         |
| Basic and diluted                                                                                  |      |                                     |                                         |
| Computed on the basis of loss for the year / period                                                | 11   | (0.03)                              | (0.03)                                  |
| Summary of significant accounting policies                                                         | 2    |                                     |                                         |

The accompanying notes are an integral part of the financial statements

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

  
Disha Maheshwari  
Partner  
Membership Number: 110159

Place : Pune  
Date : May 17, 2023

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

  
Ankit Agarwal  
Director  
DIN: 03344202

Place : Pune  
Date : May 17, 2023

  
Pankaj Agarwal  
Director  
DIN: 0889216

STL Networks Limited  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023**  
 (All amounts are in INR hundreds, unless otherwise stated)

|                                                                          | For the year ended<br>31 March 2023 | From March 26, 2021<br>to 31 March 2022 |
|--------------------------------------------------------------------------|-------------------------------------|-----------------------------------------|
| <b>A. Operating Activities</b>                                           |                                     |                                         |
| Profit/(Loss) before tax                                                 | (1,419)                             | (1,487)                                 |
| Adjustments to reconcile profit before tax to net cash flows:            |                                     |                                         |
| Interest Income                                                          | -                                   | 487                                     |
| <b>Operating Profit/(Loss) before Working Capital Changes</b>            | <b>(1,419)</b>                      | <b>(1,000)</b>                          |
| Working Capital Adjustments:                                             |                                     |                                         |
| Increase/(Decrease) in Trade Payables                                    | -                                   | 900                                     |
| Increase/(Decrease) in Other Financial Liability                         | 1,519                               | -                                       |
| Increase/(Decrease) in Other Current Liability                           | (100)                               | 100                                     |
| <b>Cash generated from/(used in) operations</b>                          | <b>-</b>                            | <b>-</b>                                |
| Income Taxes Paid (net of refunds)                                       | -                                   | -                                       |
| <b>Net Cash generated from/(used in) operating activities (A)</b>        | <b>-</b>                            | <b>-</b>                                |
| <b>B. Investing Activities</b>                                           |                                     |                                         |
| Net cash generated from/(used in) operating activities (B)               | -                                   | -                                       |
| <b>C. Financing Activities</b>                                           |                                     |                                         |
| Proceeds of issue of equity shares                                       | -                                   | 5,000                                   |
| Bank charges paid                                                        | -                                   | (487)                                   |
| <b>Net cash inflow/(outflow) from financing activities (C)</b>           | <b>-</b>                            | <b>4,513</b>                            |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>      | <b>-</b>                            | <b>4,513</b>                            |
| Cash and cash equivalents as at the beginning of the year (Refer note 3) | 4,513                               | -                                       |
| <b>Cash and cash equivalents as at the year end (Refer note 3)</b>       | <b>4,513</b>                        | <b>4,513</b>                            |
| <b>Components of cash and cash equivalents:</b>                          | <b>31 March 2023</b>                | <b>31 March 2022</b>                    |
| Balances with banks :                                                    | 4,513                               | 4,513                                   |
| <b>Total cash and cash equivalents</b>                                   | <b>4,513</b>                        | <b>4,513</b>                            |

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

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



**Disha Maheshwari**  
 Partner  
 Membership Number: 110159

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



**Ankit Agarwal**  
 Director  
 DIN: 03344202



**Pankaj Agarwal**  
 Director  
 DIN: 0889216

Place: Pune  
 Date : May 17, 2023

Place: Pune  
 Date : May 17, 2023

STL Networks Limited  
**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 March 2023**  
 (All amounts are in INR hundreds, unless otherwise stated)

**A. Equity share capital**

Equity Shares of Rs. 10 each (issued, subscribed and fully paid)

At March 26, 2021

Changes in equity share capital

At March 31, 2022

Changes in equity share capital

At 31 March 2023

Note

|   | No.    | INR   |
|---|--------|-------|
|   | 50,000 | 5,000 |
| 4 | -      | -     |
|   | 50,000 | 5,000 |
| 4 | -      | -     |
|   | 50,000 | 5,000 |

**B. Other equity**

At March 26, 2021

Loss for the period

Other Comprehensive Income for the period

At March 31, 2022

Loss for the year

Other Comprehensive Income for the Year

At 31 March 2023

|                      | INR     |
|----------------------|---------|
| Reserves and surplus | Total   |
| Retained Earnings    |         |
| (1,487)              | (1,487) |
| -                    | -       |
| (1,487)              | (1,487) |
| (1,419)              | (1,419) |
| -                    | -       |
| (2,906)              | (2,906) |

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N/N500016



Disha Maheshwari

Partner

Membership Number: 110159

Place : Pune

Date : May 17, 2023

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



Ankit Agarwal

Director

DIN: 03344202



Pankaj Agarwal

Director

DIN: 0889216

Place Pune

Date : May 17, 2023

# STL Networks Limited

## Notes to Financial Statements for the period ended March 31, 2023

### 1. Corporate information

STL Networks Limited (Erstwhile "Sterlite Tech Connectivity Limited") (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company was incorporated on 26 March 2021 and is a wholly owned subsidiary of Sterlite Technologies Limited. The registered office of the Company is located at 4<sup>th</sup> Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune -411001. The company is primarily engaged in the business of providing, designing, developing, selling, and servicing of network modernization solutions, telecommunication systems and systems of all kinds for the conveyance by any means of sounds, visual images and signals of all kinds, building networks, providing wired and wireless connectivity, creation of core transport network, interconnected data centre design engineering and end-to-end cyber infrastructure.

### 2. Significant accounting policies

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

#### Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

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

#### Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

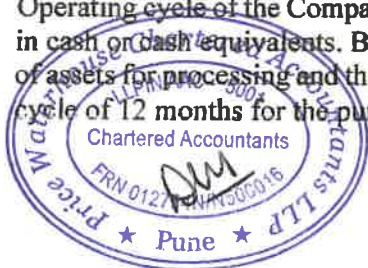
A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

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



# STL Networks Limited

## Notes to Financial Statements for the period ended March 31, 2023

### a) Foreign currency translation

#### Functional and presentation currency

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

#### Transactions and balances

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

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

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

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

### b) Revenue from contracts with customers

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

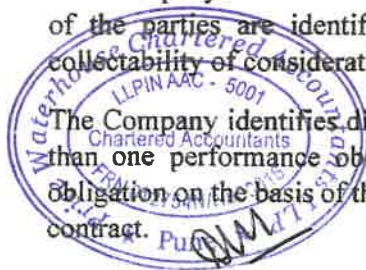
The five-step process that must be applied before revenue can be recognised:

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

#### Revenue recognition policy

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

The Company identifies distinct performance obligations in each contract. If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.





## STL Networks Limited

### Notes to Financial Statements for the period ended March 31, 2023

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

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

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

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

#### c) Other Income

##### Interest income

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

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

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

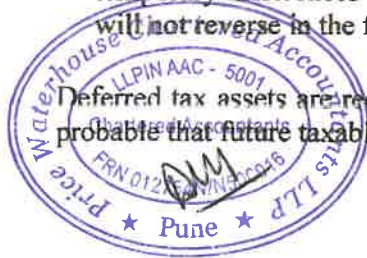
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It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

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

Deferred tax is recognised for all taxable temporary differences, except:

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

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



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## STL Networks Limited

### Notes to Financial Statements for the period ended March 31, 2023

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to income taxes levied by same taxation authorities on either same taxable entity or different taxable entities which intend either to settle the current tax assets and tax liabilities on a net basis or to realise the asset and settle the liability simultaneously.

#### e) Provisions and contingent liabilities

##### General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as interest expense.

##### Contingent Liabilities

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

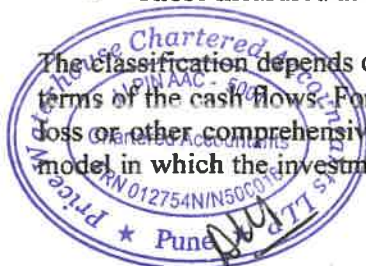
#### f) Investments and Other Financial assets

##### i) Classification & Recognition:

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

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

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



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## STL Networks Limited

### Notes to Financial Statements for the period ended March 31, 2023

company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

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

#### ii) Measurement:

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

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

#### Debt instruments

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

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

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

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

#### Equity instruments

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



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# STL Networks Limited

## Notes to Financial Statements for the period ended March 31, 2023

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

### iii) Impairment of financial assets

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

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

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

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

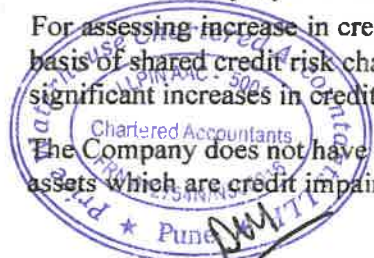
- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use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

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

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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



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# STL Networks Limited

## Notes to Financial Statements for the period ended March 31, 2023

### iv) Derecognition of financial asset

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

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

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

### v) Reclassification of financial assets

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

### g) Financial liabilities

#### Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### Borrowings

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





# STL Networks Limited

## Notes to Financial Statements for the period ended March 31, 2023

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

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

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

### **h) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

### **i) Cash and cash equivalents**

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

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

### **j) Dividends**

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

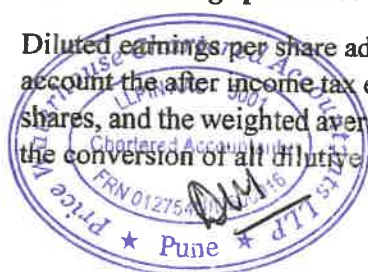
### **k) Earnings per share**

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

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

#### **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



## STL Networks Limited

### Notes to Financial Statements for the period ended March 31, 2023

#### l) Presentation of EBITDA

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

Accordingly, the Company has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from operations. In its measurement, the Company does not include depreciation and amortization expense, finance income, finance costs and tax expense.

#### m) Trade receivables

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

#### n) Segment Reporting

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

#### o) Going Concern Assumption

During the year, company has incurred a loss of INR. 1,41,900 (2022: loss INR. 1,48,719) and is carrying accumulated losses of INR. 2,90,618 (2022: INR. 1,48,719).

The Company's management has assessed that it will be able to meet its liabilities as and when they fall due. The company has also received the letter of support dated May 17, 2023 from its holding company Sterlite technologies Limited for all necessary financial as well as operation support. Based on this the management is of the opinion that the preparation of financial statements of the company on going concern basis is appropriate.

#### p) Rounding of amounts

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



**NOTE 3: CASH AND CASH EQUIVALENTS**

|                                        | 31 March 2023 | 31 March 2022 |
|----------------------------------------|---------------|---------------|
| Balances with banks:                   |               |               |
| In current accounts                    | 4,513         | 4,513         |
| <b>Total cash and cash equivalents</b> | <b>4,513</b>  | <b>4,513</b>  |

**NOTE 4: SHARE CAPITAL**

|                                                                      | 31 March 2023 | 31 March 2022 |
|----------------------------------------------------------------------|---------------|---------------|
| Authorised equity share capital (50,000 equity shares of Rs.10 each) |               |               |
| No. of Shares                                                        | 50,000        | 50,000        |
| Total authorised equity share capital                                | 5,000         | 5,000         |
| Issued, subscribed and fully paid-up share capital                   |               |               |
| 50,000 equity shares of Rs.10 each fully paid up                     | 5,000         | 5,000         |
| <b>Total issued, subscribed and fully paid-up share capital</b>      | <b>5,000</b>  | <b>5,000</b>  |

**a. Movement in equity share capital**

|                                           | 31 March 2023 |              | 31 March 2022 |              |
|-------------------------------------------|---------------|--------------|---------------|--------------|
|                                           | Nos           | INR in '00   | Nos           | INR in '00   |
| At the beginning of the year              | 50,000        | 5,000        | -             | -            |
| Issued during the period                  | -             | -            | 50,000        | 5,000        |
| <b>Outstanding at the end of the year</b> | <b>50,000</b> | <b>5,000</b> | <b>50,000</b> | <b>5,000</b> |

**b. Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Shares of the company held by holding company**

**Immediate holding company**  
Sterlite Technologies Limited and its nominee shareholders

| 31 March 2023 |           | 31 March 2022 |           |
|---------------|-----------|---------------|-----------|
| Numbers       | % holding | Numbers       | % holding |
| 50,000        | 100%      | 50,000        | 100%      |

**d. Detail of shareholders holding more than 5% of shares in the company**

Sterlite Technologies Limited and its nominee shareholders

| 31 March 2023 |           | 31 March 2022 |           |
|---------------|-----------|---------------|-----------|
| Numbers       | % holding | Numbers       | % holding |
| 50,000        | 100%      | 50,000        | 100%      |

**e. Detail of shareholding of promoters:**

| Name of Promoters             | No. of Shares as at 31 March 2023 | No. of Shares as at 31 March 2022 | % change during the year ended 31 March 2023 |
|-------------------------------|-----------------------------------|-----------------------------------|----------------------------------------------|
| Sterlite Technologies Limited | 50,000                            | 50,000                            | -                                            |

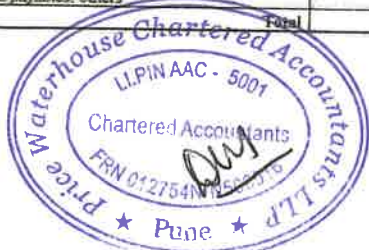
**NOTE 5: OTHER EQUITY**

|                                     | 31 March 2023  | 31 March 2022  |
|-------------------------------------|----------------|----------------|
| Retained earnings                   |                |                |
| Opening balance                     | (1,487)        | -              |
| Add: Net Loss for the period / year | (1,419)        | (1,487)        |
| Closing balance                     | (2,906)        | (1,487)        |
| <b>Total retained earnings</b>      | <b>(2,906)</b> | <b>(1,487)</b> |
| Total other equity                  | (2,906)        | (1,487)        |

**NOTE 6 A: TRADE PAYABLES**

|                                             | 31 March 2023 | 31 March 2022 |
|---------------------------------------------|---------------|---------------|
| Current                                     |               |               |
| Trade payables: micro and small enterprises | -             | -             |
| Trade payables to related parties           | -             | -             |
| Trade payables: others                      | -             | -             |
| Others                                      | 1,080         | 900           |
| <b>Total trade payable</b>                  | <b>1,080</b>  | <b>900</b>    |
| The above amount includes                   | 1,080         | 900           |

| Particulars                                 | Not Due      | Less than year | 1-2 Years | 2-3 Years | More than 3 years | Grand Total  |
|---------------------------------------------|--------------|----------------|-----------|-----------|-------------------|--------------|
| Trade payables: micro and small enterprises | -            | -              | -         | -         | -                 | -            |
| Trade payables to related parties           | -            | -              | -         | -         | -                 | -            |
| Trade payables: others                      | 1,080        | -              | -         | -         | -                 | 1,080        |
| <b>Total</b>                                | <b>1,080</b> | -              | -         | -         | -                 | <b>1,080</b> |



*[Signature]*

*[Signature]*

**NOTE 6 B: FINANCIAL LIABILITIES - OTHERS**

|                                    | 31 March 2023 | 31 March 2022 |
|------------------------------------|---------------|---------------|
| Current                            |               |               |
| Reimbursement for Expenses Payable | 1,339         | -             |
|                                    | <u>1,339</u>  | <u>-</u>      |

**NOTE 7: OTHER CURRENT LIABILITIES**

|                                 | 31 March 2023<br>(INR) | 31 March 2022<br>(INR) |
|---------------------------------|------------------------|------------------------|
| Withholding taxes (TDS) payable | -                      | 100                    |
| Total other current liabilities | <u>-</u>               | <u>100</u>             |

**NOTE 8: OTHER EXPENSES**

|                                    | For the year ended<br>31 March 2023 | From March 26,<br>2021 to<br>31 March 2022 |
|------------------------------------|-------------------------------------|--------------------------------------------|
| Rates and Taxes                    | 239                                 | -                                          |
| Payment to auditor (see note 8(a)) | 1,180                               | 1,000                                      |
| Total other expenses               | <u>1,419</u>                        | <u>1,000</u>                               |

Note 8 : Payment to auditor  
As auditor:

(a) Audit fee

Total payment to auditor

|  |              |              |
|--|--------------|--------------|
|  | 1,180        | 1,000        |
|  | <u>1,180</u> | <u>1,000</u> |

**NOTE 9: FINANCE COST**

|                    | For the year ended<br>31 March 2023 | From March 26,<br>2021 to<br>31 March 2022 |
|--------------------|-------------------------------------|--------------------------------------------|
| Bank charges       | -                                   | 487                                        |
| Total finance cost | <u>-</u>                            | <u>487</u>                                 |

**NOTE 10: TAX EXPENSES**

(a) Income tax expense

Total losses for the current period

Total losses for the current period on which deferred tax asset has not been recognised

|  | For the year ended<br>31 March 2023 | From March 26,<br>2021 to<br>31 March 2022 |
|--|-------------------------------------|--------------------------------------------|
|  | 1,419                               | 1,487                                      |
|  | <u>(1,419)</u>                      | <u>(1,487)</u>                             |

Details of carry forward losses on which no deferred tax asset is recognised by the Company are as follows:  
Business loss can be carried forward for period for 8 years from the year in which losses arose.

|                       | For the year ended<br>31 March 2023 | From March 26,<br>2021 to<br>31 March 2022 |
|-----------------------|-------------------------------------|--------------------------------------------|
| Business Loss C/F     | 2,906                               | 1,487                                      |
| Potential tax benefit | 731                                 | 374                                        |

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

The tax expense is computed as per the provisions of Income Tax Act, 1961. Statutory tax rate of 25.168% is applicable to the company for the financial period ended 31 March 2023. Considering loss incurred during the year tax expense for the year is Nil.

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

Basic EPS amounts are calculated by dividing the profit/(loss) for the year / period attributable to equity holders by the weighted average number of Equity shares outstanding during the year / period. The following tables shows the computation of basic EPS:

|                                                                               | For the year ended<br>31 March 2023 | From March 26,<br>2021 to<br>31 March 2022 |
|-------------------------------------------------------------------------------|-------------------------------------|--------------------------------------------|
| (a) Basic EPS                                                                 |                                     |                                            |
| Loss for the year / period                                                    | (1,419)                             | (1,487)                                    |
| Weighted average number of equity shares in calculating basic and diluted EPS | 50,000                              | 50,000                                     |
| Earnings per share                                                            |                                     |                                            |
| Basic and diluted (on nominal value of Rs. 10 per share) Rupees/share         | (0.03)                              | (0.03)                                     |

**NOTE 12: FAIR VALUE MEASUREMENT**

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



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**NOTE 13: RELATED PARTY TRANSACTIONS**

**(a) Parent Entities**

The group is controlled by the following entity:

| Name                                  | Type                         |
|---------------------------------------|------------------------------|
| Sterlite Technologies Limited         | Immediate Holding Company    |
| Twin Star Overseas Limited, Mauritius | Intermediate Holding Company |
| Volcan Investments Limited, Bahamas   | Ultimate Holding Company     |
| Anil Agarwal Discretionary Trust      | Ultimate Parent Entity       |

**Note on ultimate holding company**

Sterlite Technologies Limited (Immediate Holding Company) is a majority-owned and controlled subsidiary of Twin Star Overseas Limited (Twin Star). Volcan Investments Limited ('Volcan') holds 100 % of the share capital and 100 % of the voting rights of Twin Star. Volcan 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, Volcan Investments Limited, and Anil Agarwal Discretionary Trust do not produce Group financial statements.

**Key management personnel (KMP)**

Ankit Agarwal - Director  
Badri Gomatam - Director (Upto April 14, 2023)  
Sumit Mukherjee - Director (Upto April 14, 2023)  
Pankaj Aggarwal - Director (from April 14, 2023)  
Praveen Cherian - Director (from April 14, 2023)

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

| Transactions                                                      | Relationship              | For the year ended     | 31 March 2022 |
|-------------------------------------------------------------------|---------------------------|------------------------|---------------|
|                                                                   |                           | 31 March 2023<br>(INR) | (INR)         |
| Sterlite Technologies Limited (Reimbursement of Expenses Payable) | Immediate Holding company | 1,339                  | -             |
| Sterlite Technologies Limited (Issue of Shares)                   | Immediate Holding company | -                      | 5,000         |
| <b>Outstanding balance</b>                                        |                           | <b>1,339</b>           | <b>-</b>      |

**NOTE 14: FINANCIAL RISK MANAGEMENT**

The Company does not have any operations during current and previous year. The Company's principal financial assets include cash and cash equivalents. Currently the company has adopted the risk management policies as defined by its holding company to manage risk's relevant to its operations. Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's maximum exposure to credit risk for the components of the balance sheet of 31 March 2023 is the carrying amount of each class of financial assets.

**Credit risk**

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

**Liquidity Risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its obligations. Also, the company has also received the letter of support dated May 17, 2023 from its holding company Sterlite technologies Limited for all necessary financial as well as operation support.

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

| Particulars                   | Less than 1 Year | 1 - 2 years  | Total        |
|-------------------------------|------------------|--------------|--------------|
| As at March 31, 2022          |                  |              |              |
| Trade payables                | 1,080            | -            | 1,080        |
| Financial Liability (current) | 100              | 1,239        | 1,339        |
|                               | <b>1,180</b>     | <b>1,239</b> | <b>2,419</b> |

**NOTE 14: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006**

There are no micro enterprises and small enterprises, to whom the company owes dues, which are outstanding as at 31 March 2023 and PY as at 31 March 2022. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

**NOTE 15: CRITICAL ESTIMATES AND JUDGEMENTS**

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

**NOTE 16: SEGMENT REPORTING**

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



**STL Networks Limited**

Notes to financial statements for the year ended 31 March 2023

(All amounts are in INR hundreds, unless otherwise stated)

**NOTE 17: TRANSACTIONS WITH STRUCK OFF COMPANY**

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

**NOTE 18: FINANCIAL PERFORMANCE RATIOS**

| Particulars                                                                                         | 31 March 2023 | 31 March 2022 | Variance | Reasons for Variance                                                                             |
|-----------------------------------------------------------------------------------------------------|---------------|---------------|----------|--------------------------------------------------------------------------------------------------|
| <b>A. Performance Ratios</b>                                                                        |               |               |          |                                                                                                  |
| Net Profit ratio (i)<br>(Profit after tax) / (Revenue from operations)                              | -             | -             | -        |                                                                                                  |
| Net Capital turnover ratio (ii)<br>(Revenue from operations) / (Closing working capital)            | -             | -             | -        |                                                                                                  |
| Return on Capital Employed (iii)<br>(Profit before interest and tax) / (Closing capital employed)   | -28.38%       | -29.74%       | -3%      | Decrease in the Return on Capital Employed is on account of the increased loss during the year.  |
| Return on Equity Ratio (iv)<br>(Profit after tax) / (Closing shareholder's equity)                  | -67.77%       | -42.34%       | 60%      | Increase on account of increased loss during the year.                                           |
| Return on investment (v)<br>(Earnings before interest and tax) / (Closing total assets)             | -31.44%       | -22.16%       | 42%      | Increase on account of increased loss during the year.                                           |
| Debt Service Coverage ratio (vi)<br>(Profit before interest and tax) / (Closing debt service)       | -             | -             | -        |                                                                                                  |
| <b>B. Leverage Ratio</b>                                                                            |               |               |          |                                                                                                  |
| Debt-Equity Ratio<br>(Total debt) / (Total equity)                                                  | -             | -             | -        |                                                                                                  |
| <b>C. Liquidity Ratios</b>                                                                          |               |               |          |                                                                                                  |
| Current Ratio<br>(Current assets) / (Current liabilities)                                           | 1.87          | 4.51          | -59%     | liquidity ratio is on account of the increase in the other current liabilities of the company.   |
| <b>D. Activity Ratio</b>                                                                            |               |               |          |                                                                                                  |
| Inventory turnover ratio<br>(Cost of goods sold) / (Closing inventory)                              | -             | -             | -        |                                                                                                  |
| Trade Receivables turnover ratio<br>(Revenue from operations) / (Closing current trade receivables) | -             | -             | -        |                                                                                                  |
| Trade Payables turnover ratio (vii)<br>(Cost of goods sold) / (Closing trade payable)               | -             | -             | -        |                                                                                                  |
| *Closing capital employed = Tangible net worth<br>+ Gross debt + Deferred tax liability             | 2,094         | 3,513         | -40%     | The decrease in the closing capital employed is on account of the loss incurred during the year. |

**NOTE 19: CONTINGENT LIABILITIES**

There is no contingent liabilities outstanding as at the end of the year (31 March 2022: NIL).

**NOTE 20: ULTIMATE BENEFICIARY CLAUSE**

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

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

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

**NOTE 21: WILFUL DEFAULTER CLAUSE**

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

**NOTE 22: CORPORATE SOCIAL RESPONSIBILITY**

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



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**STL Networks Limited**

Notes to financial statements for the year ended 31 March 2023

(All amounts are in INR hundreds, unless otherwise stated)

**NOTE 23: BENAMI TRANSACTIONS (PROHIBITION) ACT, 1988**

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

**NOTE 24: CAPITAL AND OTHER COMMITMENTS**

The company does not have any contract that is remaining to be executed on capital account.

**NOTE 25: DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**NOTE 26: REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES -**

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

**NOTE 27: COMPLIANCE WITH APPROVED SCHEME OF ARRANGEMENTS**

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

**NOTE 28: COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES**

The company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction of number of layers) Rules, 2017.

**Note 29: UNDISCLOSED INCOME**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in

**NOTE 30: EVENTS OCCURRING AFTER BALANCE SHEET DATE, ON PROPOSED DEMERGER SCHEME**

The Board of Directors of the Company at its meeting held on May 17, 2023 has considered and approved, subject to necessary approvals, a Scheme of Arrangement ("Scheme") between Sterlite Technologies Limited (the "Demerged Company" or "Holding Company") and STL Networks Limited (the "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 (as defined in the Scheme) consisting of Global Services Business (as defined in the Scheme) of the Demerged Company to the Company and consequent issuance of equity shares by the 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 Company.

The equity shares of the 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 Holding Company will be issued shares in the Company in the same proportion as their holding in the Holding Company. The Scheme is subject to necessary statutory and regulatory approvals, including the approval of Hon'ble National Company Law Tribunal, Mumbai Bench.

**NOTE 31: CAPITAL MANAGEMENT****Risk Management**

The Company's objectives when managing capital are to:

- Safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets. During the previous year Company had raised Equity through share issue.

The company has received the letter of support dated May 17, 2023 from its holding company Sterlite technologies Limited for all necessary financial as well as operations support. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

**NOTE 32: FAIR VALUES**

| Financial Instruments by Category  | 31 March 2023 |                | 31 March 2022 |                |
|------------------------------------|---------------|----------------|---------------|----------------|
|                                    | FVPL          | Amortized Cost | FVPL          | Amortized Cost |
| <b>Financial Assets</b>            |               |                |               |                |
| Cash and Cash Equivalents          | -             | 4,512.81       | -             | 4,512.81       |
| <b>Total Financial Assets</b>      | -             | 4,512.81       | -             | 4,512.81       |
| <b>Financial Liabilities</b>       |               |                |               |                |
| Other Financial Liabilities        | -             | 1,080.00       | -             | 900.00         |
| Trade Payables                     | -             | 1,339.00       | -             | -              |
| <b>Total Financial Liabilities</b> | -             | 2,419.00       | -             | 900.00         |

Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of such financial assets and financial liabilities are considered to be the same as their fair values, due to their short term nature. These financial



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STL Networks Limited  
Notes to financial statements for the year ended 31 March 2023  
(All amounts are in INR hundreds, unless otherwise stated)

**NOTE 33:** Previous year figures have been reclassified to conform to this year's classification.

The accompanying notes are an integral part of the financial statements

As per our report of even date

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



**Disha Maheshwari**  
Partner  
Membership Number: 110159

Place : Pune  
Date : May 17, 2023

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



**Ankit Agarwal**  
Director  
DIN: 03344202

Place : Pune  
Date : May 17, 2023



**Pankaj Agarwal**  
Director  
DIN: 0889216

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

### Overview

Our Company was incorporated on March 26, 2021, as a wholly owned subsidiary of Sterlite Technologies Limited ("STL") under the provisions of the Companies Act, 2013.

The National Company Law Tribunal, Mumbai Bench, vide its order dated February 14, 2025 (the certified copy whereof was received on March 18, 2025) has approved the Scheme of Arrangement between STL and SNL and their respective shareholders and creditors. Pursuant to the Scheme, the Demerged Undertaking of STL is transferred to and vested with SNL.

Our offerings comprise a mix of products, software, and services, delivered across the full lifecycle, from design and deployment to management and modernization. For more details please refer "*Our Business*" on page 100.

We serve a diverse set of clients, including telecommunication service providers, governments, defence establishments, citizen networks, cloud companies, public sector organizations and large enterprises. We currently operate in India and the United Kingdom, supporting mission-critical national programs and enterprise transformation projects.

As a global digital infrastructure and IT services company, we bring advanced capabilities in designing, building, managing, and transforming digital ecosystems. Our digital transformation services span system integration services (Network, Data Centre, Cloud & Cybersecurity), state-of-the-art connectivity services (Fibre deployment & wireless), Managed Services, and digital solutions (including AI).

Our Company has executed national projects that helped:

- Secure our National Frontiers by delivering seamless and secure mission critical communication networks
- Fortified our national defence through Trusted communication Infrastructure
- Powered growth through robust DC & ICT Infrastructure solutions
- Strengthened Tamil Nadu's Digital backbone by enabling high-speed fibre connectivity across Gram Panchayats

Our Company is also engaged in providing solutions that include project management for all aspects of project execution, from conceptualizing to commissioning, for the above-mentioned solutions.

Over the years, we have received several leading awards and recognitions such as winner of Digital Transformance 2023 Award – Risk Governance, "Outstanding Cross-Functional Collaboration" Winner award, Excellence in Use of Technology' Winner Award, Excellence in Risk Mitigation Award, Outstanding Procurement Future Leader, Excellence in People Development, MSI Partner of the Year' for Cisco 2023 etc. For more details please refer "*Our Business*" on page 100.

### Significant developments in history of Company

The National Company Law Tribunal, Mumbai Bench, vide its order dated February 14, 2025 (the certified copy whereof was received on March 18, 2025) has approved the Scheme of Arrangement between STL and SNL and their respective shareholders and creditors. Pursuant to the Scheme, the Demerged Undertaking of STL is transferred to and vested with SNL.

Our Board of Directors has been reconstituted on May 16, 2025; Chief Financial Officer was appointed on May 16, 2025 and the Company Secretary & Compliance Officer was appointed on March 06, 2025.

Other than above, after the date of last audited accounts i.e. March 31, 2025, the Directors of our Company confirm that there have not been any significant developments having material effects or likely to have adverse effects within next twelve months towards the trading or profitability of our Company, the value of our assets or our ability to pay the liabilities.

## **Significant factors affecting our results of operations**

Our results of operations have been, and will be, affected by many factors, some of which are beyond our control. Key factors affecting our results are discussed in the section "*Risk Factors*" beginning on page 15.

### **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.

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.

### **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.

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:

| 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.

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.

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.
- 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 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.

### **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.

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.

**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.

- **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.

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 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.

### **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.

**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.

**Our Results of Operations**

The following table sets forth select financial data from our audited financial statement of profit and loss for the period from April 1, 2024 to March 31, 2025:

| Particular                                                    | Consolidated (In Crores) | Standalone (In Crores) |
|---------------------------------------------------------------|--------------------------|------------------------|
| Total income: Rs.                                             | 1186.63                  | 1097.62                |
| Total expenses (including finance cost and depreciation): Rs. | 1209.49                  | 1052.25                |
| Profit/ (loss) before tax: Rs.                                | (22.86)                  | 45.37                  |
| Total comprehensive income / (loss) net of tax:               | (31.19)                  | 31.38                  |
| Basic and diluted EPS:                                        | (0.65)                   | 0.63                   |
| Cash and cash equivalents:                                    | 212.13                   | 200.01                 |
| Total equity/net worth: Rs.                                   | 907.72                   | 1,163.85               |

## SECTION VII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no pending: (i) criminal proceedings (including first information reports); (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes (disclosed in a consolidated manner, giving the number of cases and the total amount); and (iv) other pending litigation (other than proceedings covered under (i) to (iii) above) which has been determined to be material pursuant to the Materiality Policy on disclosures under SEBI ICDR Regulations (as disclosed herein below), each involving our Company, Subsidiaries, Directors or Promoters (collectively, the “**Relevant Parties**”). Further, except as disclosed in this section, there are no (a) disciplinary actions (including penalties imposed) initiated by SEBI or the Stock Exchanges against any of our Promoters in the last five Fiscals immediately preceding the date of this Information Memorandum, including any outstanding action; or (b) pending litigation involving our Group Companies which may have a material impact on our Company.*

*For the purposes of (iv) above, our Company has defined the criteria under the Materiality Policy on disclosures under SEBI ICDR Regulations for identification of material outstanding litigation involving the Relevant Parties pursuant to Board resolution dated May 14, 2025. In terms of the Materiality Policy, all pending litigations: (i) involving any of the Relevant Parties, in which the aggregate monetary claim by or against such Relevant Party, whose value or the expected impact in terms of value, exceeds the lower of: (a) two percent of turnover, as per the last audited consolidated financial information; or (b) two percent of net worth, as per the last audited consolidated financial information, except in case the arithmetic value of the net worth is negative; or (c) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial information of our Company have been considered material. However, in our case given that the appointed date is April 01, 2023, the five percent of the average of absolute value of profit or loss after tax, as per the consolidated financial statements for the year/period ended March 31, 2025, December 31, 2024 and March 31, 2024 is Rs. 0.72 Crores. Therefore, all pending litigations falling under (iv) above involving any of the Relevant Parties, in excess of Rs. 0.72 Crores have been disclosed under this section.*

*Unless stated to the contrary, the information provided below is as of the date of this Information Memorandum. All terms defined in a particular litigation disclosure below are for that particular litigation only.*

#### **Litigation involving our Company**

##### **1. Criminal proceedings involving our Company**

###### ***(i) Criminal proceedings against our Company***

Station House Officer/Incharge, Police Station, Domana, Jammu (the “**PS Domana**”) filed a first information report dated January 20, 2017 (the “**FIR**”) registered under Sections 337 and 304A of the erstwhile Jammu and Kashmir State Ranbir Penal Code, 1932 against our Company and our employees in connection with a car accident, resulting in the death of five people and injury to two people. Our Company filed a petition under Section 561-A of the Code of Criminal Procedure, 1973 before the High Court of Jammu and Kashmir (the “**High Court**”) (the “**Petition**”) against the State of Jammu and Kashmir (the “**Respondent No. 1**”) and PS Domana seeking inter alia, quashing of the FIR. Our Company also filed a miscellaneous application before the High Court seeking a stay on the FIR and the investigation being conducted against our Company until the final outcome of the Petition. The matter is currently pending.

###### ***(ii) Criminal proceedings by our Company***

Nil

##### **2. Other material proceedings involving our Company**

###### ***(i) Other material proceedings against our Company***

- (a) The dispute involves a contract worth Rs. 1.52 Crores between our company and M/s Vijay Star Construction LLP for optical fiber network deployment along the Phaltan-Natepute-Mhaswad route in Maharashtra. Vijay Star was contracted to complete tasks including survey, ROW permissions, trenching, laying ducts, and network installation. However, Vijay Star failed to begin work on time

and did not meet the deadline. Pre- acceptance tests revealed substandard work, and despite several reminders, Vijay Star did not rectify the defects, preventing the handover and takeover process. Vijay Star's demanded payment without completion of contracted milestone. Our Company did not accede this demand. Vijay Star invoked Arbitration and submitted a claim of Rs. 1.12 Crores excluding interests. Our Company has filed its Statement of Defence & counter claim to the tune of Rs. 0.23 Crores. The matter is currently under arbitration.

- (b) Our Company's vendor BTC Optical Fiber Network Pvt. Limited ("**BTC**") filed an application against our Company before the Micro Small Enterprises Facilitation Council (MSEFC), Nagpur, claiming an amount of Rs. 6.08 Crores plus applicable interest as per the MSME Development Act, 2006 pertaining to Package B of MahaNet Project in the state of Maharashtra for the scope assigned to it under the Service Agreement dated February 12, 2019. Our Company has filed a reply denying the frivolous claim of BTC and filed a counter claim to the tune of Rs. 2.76 Crores against BTC. The matter is currently pending adjudication.
- (c) Our Company's vendor Mahesh Enterprises Pvt. Limited ("**Mahesh**") has filed an application at MSEFC, Nagpur claiming an amount of Rs. 2.89 Crores against our Company plus applicable interest as per the MSME Development Act, 2006. Our Company has filed a reply denying the frivolous claim of Mahesh. The matter is currently pending adjudication.
- (d) Our Company's vendor Kashyap Constructions ("**KC**") filed an application with MSEFC, Nagpur, claiming an amount of Rs. 4.15 Crores plus applicable interest as per the MSME Development Act, 2006. Our Company has filed a reply denying the frivolous claim of KC and filed a counter claim to the tune of Rs. 5.61 Crores. The matter is currently pending adjudication.

**(ii) Other material proceedings by our Company**

- (a) Our Company had initiated arbitration proceedings against Bharat Sanchar Nigam Limited (the "**BSNL**"). BSNL, as an implementing agency, had issued a tender dated June 21, 2013 (the "**Tender**") for construction and management of highly resistant optical fiber cable network for army sites in various parts of India as part of Central Government's project called '*Network for Spectrum*'. The Tender comprised of seven packages (A to G) and our Company had submitted financial and technical bid for Package – A of the Tender which comprised of the NTP region of Jammu & Kashmir. Our Company was declared L1 bidder and accordingly was awarded work under the said Package – A vide Purchase Order dated July 24, 2014. The disputes that arose between the parties were in relation to short payment on account of imposition of depth penalty by BSNL. Our Company, in its statement of claim, had sought, *inter alia*, a principal amount of Rs. 145.02 Crores towards wrongful imposition of the depth penalty along with applicable GST, along with *pendente lite* interest and future interest at the rate of 18% per annum BSNL, in its Statement of Defence, had alleged that the said dispute between the parties is not arbitrable in terms of the Tender and the amount deducted is not penalty but a scale of payment and accordingly sought, *inter alia*, dismissal of the claim filed by our Company. The Arbitrator rejected our Company's claims vide Award dated April 18, 2024 ("**Arbitral Award**"). Our Company has challenged the Arbitral Award before the Hon'ble Delhi High Court under Section 34 of the Arbitration and Conciliation Act, 1996 on the ground of it being patently illegal. The matter is currently pending.
- (b) Our Company has initiated arbitration proceedings against Bharat Sanchar Nigam Limited ("**BSNL**") in relation to a dispute arising from its project of procurement, supply, installation and commissioning of IP MPLS network for the Indian Navy on a turnkey basis ("**Project**"). Dispute that arose between the parties is in relation to the payment for additional civil infrastructure work carried out by our Company at 33 greenfield sites of the Indian Navy under the Project. The total area to be constructed as per the tender was 1,31,000 sq. ft. However, STL had at the behest of BSNL had constructed 1,79,334.6 sq. ft. Our Company had raised several requests to BSNL to amend the purchase order thereby amending the total built-up area to be 1,79,334.6 sq. ft. Our Company has filed its statement of claim to the tune of Rs. 115.57 Crores plus interest for such additional civil infrastructure work done at the behest of BSNL. BSNL has filed its Statement of Defence *inter-alia* stating that the alleged additional work done is beyond the scope of contract and is therefore not arbitrable and that additional work, if any, beyond 1,31,000 sq. ft. shall be without any financial implication. The matter is currently pending before the Arbitral Tribunal.
- (c) Our Company has initiated arbitration proceedings against Bharat Sanchar Nigam Limited

(“**BSNL**”) in relation to a dispute arising from its project of procurement, supply, installation and commissioning of IP MPLS network for the Indian Navy on a turnkey basis (“**Project**”). Dispute that arose between the parties is in relation to the delays on part of BSNL which caused delay in commissioning of the Project and consequently, our Company had incurred additional costs, including for additional warranty support during the extended period. Our Company filed a statement of claim aggregating to Rs. 268.41 Crores plus interest for such additional costs and other prolongation costs arising out of delays not attributable to our Company. The matter is currently pending before the Arbitral Tribunal.

- (d) Our Company had initiated arbitration proceedings against Bharat Sanchar Nigam Limited (“**BSNL**”). BSNL, as an implementing agency, had issued a tender dated June 21, 2013 (the “**Tender**”) for construction and management of highly resistant optical fiber cable network for army sites in various parts of India as part of Central Government’s project called ‘*Network for Spectrum*’. The Tender comprised of seven packages (A to G) and our Company had submitted financial and technical bid for package - A of the Tender which comprised of the NTP region of Jammu & Kashmir. Our Company was declared L1 bidder and accordingly was awarded work under the said package – A vide Purchase Order dated July 24, 2014 (the “**Purchase Order**”). The dispute that arose between the parties was in connection with the short payment made by BSNL for multiple ducts laid in common trenches. Our Company in its statement of claim has alleged that BSNL has unlawfully and without authorization withheld the amounts payable to our Company on account of multiple ducting in common trenches on the route provided by BSNL and claimed, *inter alia*, an aggregate amount of Rs. 36.94 Crores (plus interest). BSNL, in its statement of defence, has categorically denied all claims of our Company and has alleged that our Company’s claim is contrary to the terms of the Tender and the Purchase Order and sought, *inter alia*, dismissal of the claim filed by our Company with cost of arbitration and litigation in its favour. The arbitral tribunal, *vide* its arbitral award dated May 9, 2023 (the “**Arbitral Award**”) disallowed our Company’s claim for short payment in respect of multiple ducts laid in common trenches. Our Company has filed an application before the Delhi High Court under Section 34 of the Arbitration and Conciliation Act, 1996 challenging the Arbitral Award. The matter is currently pending.
- (e) Our Company had initiated arbitration proceedings against Mahanagar Telephone Nigam Limited (“**MTNL**”), seeking adjudication of our Company’s claims pursuant to the terms and conditions of the purchase order dated April 30, 2007 (the “**PO**”) and the tender notice dated March 24, 2006 (the “**Tender**”) in relation to the supply of broadband access network equipment and installation, testing, commissioning and maintenance of the broadband project of MTNL. Our Company alleged *inter alia* that MTNL had withheld amounts and outstanding payments due to our Company and had failed to release performance bank guarantees on completion of our Company’s warranty obligations. Our Company had sought, *inter alia*, payment of unpaid dues amounting to Rs. 23.32 Crores and interest amounting to Rs. 34.51 Crores, along with release of the above-mentioned bank guarantees and payment of Rs. 0.51 Crores towards unpaid invoices, Rs. 0.13 Crores as costs of extension of bank guarantees and payment of litigation costs. MTNL had filed a statement of defense and counterclaim to the tune of Rs. 144 crores alleging *inter alia* that the equipment supplied by our Company was malfunctioning and the defects in the same were not rectified by our Company to MTNL’s satisfaction and prayed that all the claims made by our Company be rejected. The matter was disposed in favour of our Company and *vide* Award dated November 29, 2024, our Company has been awarded Rs. 15.90 Crores along with *pendente lite* and future interest @7.5%, litigation cost of Rs. 0.30 Crores and release of bank guarantee amounting to Rs. 8.91 Crores. The counterclaim of MTNL amounting to Rs. 144 Crores was rejected. MTNL has filed an application before the Delhi High Court under Section 34 of the Arbitration and Conciliation Act, 1996 for setting aside the Arbitral Award. The matter is currently pending.
- (f) Our Company initiated arbitration proceedings against Bharat Sanchar Nigam Limited (the “**BSNL**”) seeking adjudication of our Company’s claims pursuant to the terms and conditions of the annual maintenance agreement (the “**AMC Agreement**”) dated June 16, 2009. Pursuant to a purchase order dated June 16, 2009 (the “**PO**”), our Company was required to supply, install, commission and annually maintain GPON equipment in BSNL network locations in North India. Our Company alleged *inter alia* that BSNL is in breach of its obligations under the AMC Agreement and made a claim amounting to Rs. 11.12 Crores, along with interest at 18% per annum from the date the amount was due against BSNL and release of bank guarantee amounting to Rs. 7.7 Crores. The matter was disposed in favor of our Company *vide* award dated June 23, 2025. Our Company has been awarded Rs. 9.06 Crores towards its contractual dues, Rs. 0.09 Crores towards cost of

extension of Bank Guarantee along with pendente lite and future interest @12%, litigation cost and arbitral fee on actuals and forthwith release of bank guarantee amounting to Rs. 7.70 Crores. Our Company will file for execution of the arbitral award after expiry of three months from the date of the arbitral award.

- (g) Our Company initiated an arbitration proceeding against Aksentt Tech Services Limited (the “**Respondent**”) seeking adjudication of our Company’s claims regarding non-payment of long-standing dues wrongfully denied by the Respondent pertaining to the engagement of our Company for execution of fiber-deployment services in Gram Panchayats, Taluka Rings and Passive Infrastructure work across 1960 Gram Panchayats (GPs) in 27 Taluka Rings under the MahaNet Project Package A & C in Maharashtra. In the year 2020, the Respondent had expressed its wish to engage our Company as its ‘Strategic Execution Partner’ for the said Project. The terms & conditions for the said association were negotiated and executed via. a Master Service Agreement (MSA) dated June 29, 2020. Our Company has filed a claim worth Rs. 304.84 Crores, along with applicable interest from covering the unpaid cost of material delivered, services performed, damages and additional cost. The Respondent has instead filed a counter claim worth Rs. 625 Crores alleging loss of reputation, loss of profit & workmanship related issues. The matter is currently pending before the Arbitration Tribunal.
- (h) Our Company has filed a writ petition against Kakinada Smart City Corporation Limited (the “**KSCCL**”) before the High Court of Andhra Pradesh (“**High Court**”) alleging *inter alia* non-payment on part of KSCCL for the services under the ‘Kakinada Smart City Integration Project’ rendered as a System Integrator by Company including an admitted liability of Rs. 5.25 Crores as well as KSCCL’s action of wrongfully invoking our Company’s bank guarantee(s) worth Rs. 3.79 Crores. The matter is currently pending at Andhra High Court for final arguments.

### 3. Actions by regulatory and statutory authorities against our Company

Nil

### 4. Tax proceedings involving our Company

| Nature of Case | Number of Cases | Amount involved* (Rs. in Crores) |
|----------------|-----------------|----------------------------------|
| Direct Tax     | 0.00            | 0.00                             |
| Indirect Tax   | 4               | 12.35                            |

\* To the extent quantifiable

### Litigation involving our Directors

#### 1. Criminal proceedings involving our Directors

Nil

#### 2. Litigation involving our Directors in accordance with the Materiality Policy

Nil

#### 3. Actions by statutory or regulatory authorities against our Directors

Nil

#### 4. Tax proceedings involving our Directors

Nil

### Litigation involving our Key Managerial Personnel and Senior Management (excluding our Whole-Time Director)

#### 1. Criminal litigations involving our Key Managerial Personnel and Senior Management

Except as stated below, as on the date of this Information Memorandum, no criminal litigations have been initiated by or against our Key Managerial Personnel and Senior Management.

Mr. Manish Ranjan, Head Legal - A complaint case bearing number PCR 321 of 2022 before the First Additional Civil Judge and JMFC Devanahalli, Karnataka was filed by one F&B retail outlet operator against the various Senior Management Officials of Bangalore International Airport Ltd. including Mr. Manish Ranjan. However, the same has been stayed by Hon'ble Karnataka High Court in case number CRL.P. 8749 of 2022 vide its order dated September 14, 2022.

## 2. Outstanding actions by regulatory and statutory authorities against our Key Managerial Personnel and Senior Management

Nil

### Litigation involving our Promoters

#### 1. Criminal proceedings involving our Promoters

##### *(i) Criminal proceedings against our Promoter*

- (a) SEBI issued a show cause notice to Sterlite Industries India Limited (now merged with Vedanta Limited) (“**SIIL**”) to show cause as to why it should not proceed against SIIL under Section 24 read with Section 27 of the SEBI Act, 1992 for alleged violation of regulation 4(a) and 4(d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995 (“**Alleged Violations**”). SIIL replied to the show cause notice. Thereafter, the Chairman of SEBI (“**Authority**”) passed an order dated April 19, 2001, prohibiting SIIL from accessing the capital markets for a period of two years and ordering prosecution proceedings for the Alleged Violations (“**Impugned Order**”). Accordingly, SEBI proceeded to file a criminal complaint before the 8<sup>th</sup> Additional Chief Metropolitan Magistrate’s Court at Esplanade Mumbai (“**Trial Court**”). SIIL filed an appeal before the Securities Appellate Tribunal (“**SAT**”) against the Impugned Order. The Impugned Order was subsequently overruled by the SAT *vide* an order dated October 22, 2001, on the basis that *inter alia* there was insufficient material evidence to establish that SIIL had, directly or indirectly, engaged in market manipulation and allowed the appeal filed by SIIL (“**SAT Order**”). SEBI filed an appeal before the High Court of Judicature at Bombay (“**Bombay High Court**”) against SIIL, its Director, Anil Agarwal and others (“**Accused**”) challenging the SAT Order. SIIL filed a criminal application before the Bombay High Court to stay the criminal proceedings initiated by SEBI through its criminal complaint. The Bombay High Court *inter alia vide* an order dated November 22, 2006 admitted the application and granted an interim stay on the criminal proceedings. As per the amendment to the SEBI Act, 1992, the jurisdiction of the matter has been transferred from the Trial Court to the sessions court. The aforementioned interim stay on the criminal proceedings granted by the Bombay High Court continues to be in force as on date. The matter is currently pending.
- (b) SEBI filed a criminal complaint against Sterlite Industries India Limited (now merged with Vedanta Limited) (“**SIIL**”), its Director, Anil Agarwal and others before the Additional Metropolitan Magistrate, Esplanade in relation to the alleged violation of Regulations 4(a) and 4(d) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 1995. SIIL filed a criminal application before the Bombay High Court to stay the criminal proceedings initiated by SEBI through its criminal complaint. The Bombay High Court *inter alia vide* an order dated November 22, 2006 admitted the application and granted an interim stay on the criminal proceedings which continues to be in force as on date. The matter is currently pending.
- (c) Ajaykumar Padia (“**Complainant**”) filed a petition against Bharat Aluminium Company Limited (“**BALCO**”) its Directors, Anil Agarwal, Navin Agarwal, and others (collectively, “**Accused**”) before the Court of Judicial Magistrate First Class, Pune (“**CJM**”) for alleged offences under Sections 420, 34, 406 read with Section 109 of the IPC. The Complainant alleged, *inter alia*, that the Accused have abated, cheated and committed criminal breach of trust in respect of the deposit, commission and discount offered to the Complainant for the defective goods supplied by the Accused and caused wrongful loss to the Complainant. The CJM, *inter alia*, ordered investigation into the matter under Section 153(3) of the Code of Criminal Procedure, 1973. Pursuant to the investigation, the police investigated the matter and concluded, *inter alia*, that the concerned matter



is of a civil nature (“**Report**”). Thereafter, the Complainant approached the CJM, questioning the police report and subsequently, the CJM vide an order observed that the Accused acted with dishonest intention and therefore issued process against the Accused under Sections 420, 406 read with Section 34 of the IPC (“**Impugned Order**”). Aggrieved by the Impugned Order, its Directors, Anil Agarwal, Navin Agarwal and others filed a writ petition before the High Court of Judicature for Bombay (“**High Court**”). The High Court observed, inter alia, that an alternative remedy is available before the sessions court and disposed the petition. Pursuant to the order of the High Court, its Director, Anil Agarwal and others filed a criminal revision application before the Additional District and Sessions Judge, Pune (“**Sessions Judge**”). The Sessions Judge ruled against the Accused and upheld the Impugned Order. Subsequently, its Director, Anil Agarwal and others filed a criminal application before the High Court. The High Court has imposed a stay. The matter is currently pending.

- (d) A complaint was filed by Mr. Dinesh Kanungo, Proprietor of M/s Bharath Metals and Ferro Alloys, Hyderabad (“**Complainant**”), under Section 223 of the BNSS read with Section 175(2) of the BNSS, against Mr. Anil Agrawal, Mr. Narayana ASL (an employee of Vedanta Limited), and Ms. Rupali Pandey (an employee of a third-party service provider), before the Court of the IV Additional Judicial Magistrate, Kakinada. The complaint alleges that Vedanta Limited (“**Company**”) had agreed to sell and deliver scrap material of a specified quality upon receipt of an advance payment from the Complainant. However, after inspection and at the time of delivery, it has been alleged the composition of the scrap material was found to differ from what had been agreed, and the Company refused to refund the payment since the amount was forfeitable under the terms of the contract. The Court directed the SHO, Thimmapuram, to file a report, and the SHO subsequently registered an FIR under Sections 318(4), 316(2), 351(2), 351(3), and 61(2) read with Section 3(5) of the BNS, and Section 175(3) of the BNSS. The next hearing date is awaited.
- (e) On 02 March, 2025, Tau Mining Consultants (Pty) Limited and Tau Mining Contractors (Pty) Limited (“**Tau**”) filed a criminal complaint against Black Mountain Mining (Pty) Limited (“**BMM**”), a subsidiary company of THL Zinc (Pty) Limited, and its Directors, including, Mr. Anil Agarwal, at the South African Police Services (Pretoria, South Africa Branch) in relation to alleged (a) theft of mining equipment, spares and containers with furniture and consumable at the Gamsberg opencast operations, (b) malicious damage to property in that BMM employees have cut locks to gain access to containers and moved mining equipment, (c) contempt of court in that BMM allegedly did not give effect to a court order to allow Tau to return to site (spoliation application and a civil matter), and (d) Illegal mining by BMM (and/or its new contractor) in a mining area where Tau used to mine as a contractor. As on date, no formal statement has been requested by the South African Police Services from BMM, or any of its directors or parties. The matter is current pending.

*(ii) Criminal proceedings by our Promoter*

Nil

**2. Litigation involving our Promoters in accordance with the Materiality Policy**

Nil

**3. Actions by statutory or regulatory authorities against our Promoters**

The Special Director, Enforcement Directorate (“**Adjudicating Authority**”) vide an order imposed a penalty of Rs. 200 million on Sterlite Industries India Limited (now merged with Vedanta Limited) (“**SIIL**”) and Rs. 50 million each on Navin Agarwal and Anil Agarwal alleging violation of Section 8(1) of the Foreign Exchange Regulation Act, 1973 (“**Act**”) for acquiring and transferring foreign exchange equivalent amounting to Rs. 2,080 million into an overseas entity, without prior approval of the Reserve Bank of India (“**RBI**”) (“**Order I**”). Vedanta Limited challenged the Order I before the Appellate Authority for FEMA, New Delhi (“**Appellate Authority**”). The Appellate Authority, vide its order dated November 27, 2024, dismissed the appeal filed by Vedanta Limited (“**Order II**”). Vedanta Limited has filed an appeal against the Order II before the High Court of Judicature at Bombay.

**4. Tax proceedings involving our Promoters**

Nil

## 5. Litigations against the Promoter Group

Cairn UK Holdings Limited (“CUHL”) filed a complaint with SEBI alleging non-payment of Rs. 666 Crores in dividends by Cairn India Limited (now merged with Vedanta Limited) (“CIL”) in respect of the equity shares held by CUHL in CIL. SEBI disposed of the complaint in 2017, stating that the dividend had been paid to the Government of India pursuant to recovery notice issued by the Deputy Commissioner of Income Tax and the said matter was pending before the tax authorities. CUHL appealed to the Securities Appellate Tribunal (“SAT”), which directed SEBI to re-examine the complaint for violations of the Companies Act, 2013 and SEBI Listing Regulations. SEBI again disposed of the complaint in 2019, citing absence of mens rea under Section 127 of the Companies Act. CUHL challenged the SEBI order, wherein SAT observed that a prima-facie case was made out by CUHL and directed SEBI to investigate the alleged violations within six months (“SAT Order”). SEBI filed an appeal against the SAT Order before the Supreme Court, which upheld the SAT Order and extended the time for enquiry.

Thereafter, On June 6, 2023, SEBI issued a show cause notice to Vedanta Ltd. (“Vedanta”) and its Directors (current/erstwhile), including Mr. Navin Agarwal, for alleged violations of the Companies Act and SEBI Listing Regulations related to non-payment of dividend. After considering Vedanta’s response and the oral hearings, SEBI passed an order on March 12, 2024 (“Order”) directing Vedanta to pay an amount of Rs. 77.63 Crores, i.e. simple interest at the rate of 18% per annum for delayed payment of dividend to CUHL within 45 days, and restrained our Directors including Mr. Navin Agarwal from accessing the securities market and further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with securities market in any manner, whatsoever, for a period of one/two months from the date of the Order. Vedanta filed an appeal against the Order before SAT, which on March 20, 2024 granted a stay, subject to depositing 50% of the interest amount. The 50% interest amount was deposited by Vedanta, and the matter is pending final arguments before SAT.

### Litigation involving our Subsidiaries

#### 1. Criminal proceedings involving our Subsidiaries

Nil

#### 2. Litigation involving our Subsidiaries in accordance with the Materiality Policy

##### Clearcomm Group Limited

Comex 2000 (UK) Limited (“Comex”) filed a £543,501.07 breach of contract claim against Clearcomm Group Limited (“Clearcomm”) on June 3, 2024, allegedly in retaliation to Clearcomm's £195,000.00 adjudication award. Comex claims involve various charges totaling £543,501.07. Clearcomm disputed the claim, submitted a counteroffer and attempted to strike out the claim. The claim was not struck out, leading to an agreement to sample 110 claims. There have been several delays by Comex in providing the required documentation and evidence for these sample claims, but Comex have now supplied a bundle of information which is currently being reviewed.

#### 3. Actions by statutory or regulatory authorities against our Subsidiaries

Nil

#### 4. Tax proceedings involving our Subsidiaries

Nil

### Litigation involving our Group Companies

There is no pending litigation involving the Group Companies which has a material impact on our Company.

### **Outstanding dues to creditors**

In accordance with the criteria defined under the Materiality Policy on disclosures under the SEBI ICDR Regulations, the Company has considered such creditors ‘material’ to whom the amount due is equal to or in excess of 5% of the consolidated trade payables of our Company as at the end of the year ending March 31, 2025. The consolidated trade payables of our Company as on March 31, 2025, were Rs. 917.08 Crores. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds Rs. 45.85 Crores (being 5% of the consolidated trade payables) as on March 31, 2025 (“**Material Creditor**”).

As of March 31, 2025, outstanding dues to micro, small and medium enterprises\*, Material Creditors and other creditors, are as set below:

| (Rs. in Crores)                     |                     |                           |
|-------------------------------------|---------------------|---------------------------|
| Type of creditors                   | Number of creditors | Aggregate amount involved |
| Micro, Small and Medium Enterprises | 480                 | 94.51                     |
| Other creditors                     | 1003                | 651.33                    |
| Material Creditors                  | 1                   | 171.24                    |

\*As defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended from time to time.

For further information about outstanding dues to creditors of the Company, see “*Financial Statements*” on page 152. The information required under SEBI ICDR Regulations including the name and amount involved in relation to outstanding dues to each such Material Creditor is available on the website of our Company at [www.inveniatech.com](http://www.inveniatech.com).

### Material developments

Except as stated in “*Management’s Discussion and Analysis of Financial Condition and Results of Operation*” on page 361, there have been no material developments, since the date of the last financial information disclosed in this Information Memorandum, which materially and adversely affect or are likely to affect our profitability or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER STATUTORY APPROVALS

*Our business requires various approvals, licenses, registrations and permits issued by relevant governmental and regulatory authorities under applicable rules and regulations. Set out below is an indicative list of such consents, licenses, registrations, permissions, and approvals obtained by (a) our Company; and (b) Sterlite Technologies UK Ventures Ltd (our “**Material Subsidiary**”), which are considered material and necessary for the purposes of undertaking their respective businesses and operations (“**Material Approvals**”). Unless otherwise stated, these Material Approvals are valid as of the date of this Information Memorandum. Pursuant to the Scheme, all consents, licenses, permits, permissions, authorisations, rights, clarifications, approvals, clearances, confirmations, declarations, waivers, exemptions, registrations, filings, whether governmental, statutory, regulatory under Applicable Law and all rights and benefits that have accrued to our Company pertaining to the Demerged Undertaking shall be transferred and vested in our Company on and from the Effective Date.*

*For further details in connection with the regulatory and legal framework within which the Company operates, see “Key Regulations and Policies” beginning on page 115.*

### **Material approvals of our Company**

#### ***Incorporation details of our Company***

For details of the incorporation of the Company, see the section titled “*Our History and Certain other Corporate Matters*” beginning on page 119.

#### ***Material Approvals obtained in relation to the business and operations of our Company***

Our Company is required to obtain approvals, registrations and/or licenses issued by central and state authorities under applicable laws in order to continue its general business activities in India. The following approvals pertaining to the Company’s business have been received by it as on the date of this Information Memorandum.

- ***Tax-related approvals***

- (i) The permanent account number of the Company is ABFCS8040P.
- (ii) The tax deduction account number of the Company is PNES72473C.
- (iii) GST registrations for payments under central and applicable state GST legislations.

- ***Labour and Employment related approvals***

- (i) Certificates of registration issued under the Employees’ Provident Fund and Miscellaneous Provisions Act, 1952, as amended.
- (ii) Certificate of registration issued under the Employees’ State Insurance Act, 1948, as amended.
- (iii) Certificate of registration under the Punjab Shops and Commercial Establishments Act, 1958 for our corporate office issued by Labour Department Haryana.
- (iv) Certificate of registration under the Telangana Shops and Establishment Act, 1988 for our regional office issued by Labour Department Telangana.
- (v) Certificate of registration under the Maharashtra Shops and Establishment Act, 2017 for our regional office issued by Labour Department Maharashtra.
- (vi) Certificate of registration under the Karnataka Shops and Commercial Establishment Act, 1961 for our regional office issued by Labour Department Karnataka.
- (vii) Registration availed under the applicable State Tax on Professions, Trades, Callings and Employment Act for the State of Maharashtra and Karnataka.

***Details of pending applications for fresh approvals sought by our Company, if any***

Nil

***Details of renewal applications pertaining to any Material Approval sought by our Company, if any***

Nil

***Details of Material approvals for which applications are yet to be made by our Company***

- (i) Our Company shall make requisite applications to labour departments / municipal corporations of the state governments / union territories, as applicable, in Assam, Gujarat, Odisha, Tamil Nadu, Rajasthan, Uttar Pradesh, Madhya Pradesh, Jammu & Kashmir and Andhra Pradesh for obtaining registrations under the relevant shops and establishments legislation for our offices.
- (ii) Our Company shall make requisite applications for obtaining professional tax registration under the applicable professional tax legislations in the states of Gujarat, Tamil Nadu, Kerala, Madhya Pradesh, Odisha, West Bengal, Telangana, Andhra Pradesh and Assam.
- (iii) Our Company shall make requisite applications for registration under the Contract Labour (Regulation & Abolition) Act, 1970 in the states and union territories where our Company carries its business and operations, i.e., Assam, Telangana, Gujarat, Odisha, Tamil Nadu, Karnataka, Rajasthan, Uttar Pradesh, Madhya Pradesh, Jammu & Kashmir, West Bengal, Andhra Pradesh and Kerala.
- (iv) Our Company shall make requisite applications for obtaining certificates of registration under the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 for the states and union territories where our Company carries its business and operations, i.e., Assam, Telangana, Gujarat, Odisha, Tamil Nadu, Karnataka, Rajasthan, Uttar Pradesh, Madhya Pradesh, Jammu & Kashmir, West Bengal, Andhra Pradesh and Kerala.
- (v) Our Company shall make an application with the Department of Telecommunications (“DoT”), Government of India for Infrastructure Provider – Category I (“IP-I”) registration for carrying out operations in line with the object clause of the Memorandum of Association of the Company.

**Material approvals of our Material Subsidiary**

***Material Approvals obtained in relation to the business and operations of our Material Subsidiary***

- (i) Certificate of incorporation of Sterlite Technologies UK Ventures Ltd issued by Registrar of Companies, England and Wales dated May 30, 2013.
- (ii) Certificate of registration of Sterlite Technologies UK Ventures Ltd incorporating Clearcomm Group Ltd with British Assessment Bureau dated April 17, 2025, for assessing and certifying as meeting the requirements of ISO 14001:2015, ISO 9001:2015 and ISO 45001:2018
- (iii) Certificate of compliance awarded to Sterlite Technologies UK Ventures Ltd T/A Invenia (Membership No. CHAS-237533), having validity until August 8, 2026, after demonstrating compliance with the CHAS advanced standards.
- (iv) VAT Certificate of Sterlite Technologies UK Ventures Ltd registered with HM Revenue & Customs, bearing registration number 362110444 dated November 01, 2020 and having certificate date as April 29, 2025.

***Details of pending applications for fresh approvals sought by the Material Subsidiary, if any***

Nil

***Details of renewal applications pertaining to any Material Approval sought by the Material Subsidiary, if any***

Nil

*Details of Material Approvals for which applications are yet to be made by the Material Subsidiary, if any*

Nil

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for listing

The NCLT through an order dated February 14, 2025 has approved the Scheme of Arrangement for transfer of the Demerged Undertaking of STL to our Company on and with effect from the Appointed Date. For more details relating to the Scheme, please refer to section titled “*Scheme of Arrangement*” on page 43.

Pursuant to the Scheme, the Equity Shares of Company shall be listed and admitted to trading on BSE and NSE. Such listing and admission for trading is not automatic and will be subject to fulfilment of listing criteria by the Company as permitted by BSE and NSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application for listing by Company.

### Eligibility criteria

There being no initial public offering or rights issue, the eligibility criteria prescribed under the SEBI ICDR Regulations are not applicable. SEBI Scheme Circular, subject to certain conditions, has permitted unlisted issuer companies to make an application for relaxing from the strict enforcement of Rule 19(2)(b) of SCRR thereof by making an application to SEBI under sub-rule (7) of Rule 19 of the SCRR. SEBI vide its letter no SEBI/HO/CFD/CFD-RAC-DCR1/P/OW/2025/22500/2 dated August 21, 2025 granted relaxation under sub-rule (7) of Rule 19 of the SCRR. Our Company will submit the Information Memorandum, containing information about itself, making disclosures similar to the disclosure requirement for public issues, as applicable to BSE and NSE and the Information Memorandum shall be made available to public through the respective websites of the Stock Exchanges i.e., [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com). Our Company will make the Information Memorandum available on its website at [www.inveniatech.com](http://www.inveniatech.com).

Our Company will publish an advertisement in the newspapers containing its details in line with the SEBI Circular. The advertisement shall draw specific reference to the availability of the Information Memorandum on the Company’s website.

### Prohibition by SEBI

As on the date of this Information Memorandum, our Company, its Directors, its Promoters, its Promoter Group, and persons in control of the Company are not prohibited from accessing the capital markets or debarred from buying, selling, or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of our Directors or Promoters is a director or promoter of any other company which is currently debarred from accessing the capital markets by SEBI.

### Association with the securities market

None of the Directors of the Company are associated with the securities market in any manner. Further, other than as disclosed in this Information Memorandum, SEBI has not initiated any action against any entity, with whom the Directors of the Company are associated in the past five years preceding the date of this Information Memorandum.

### Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters and Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

### Declaration as Wilful Defaulter by the Reserve Bank of India

Our Company, Promoters and Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

### Fugitive Economic Offences



Neither our Promoter nor our Directors have been declared as Fugitive Economic Offender under section 12 of the Fugitive Economic Offenders Act, 2018.

### **Jurisdiction**

Any dispute arising out of this Information Memorandum will be subject to the jurisdiction of appropriate court(s) of Pune only.

### **General disclaimer from our Company**

Our Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements published in accordance with the requirements set out in the SEBI Scheme Circular or any other material issued by or at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk. All information should be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

### **Disclaimer clause of the BSE Limited**

BSE has vide its letter dated September 28, 2023, bearing reference no. DCS/AMAL/TL/R37/2928/2023-24, granted its observation letter of 'no adverse observations' on the Scheme under Regulation 37 of the SEBI LODR Regulations. As per the letter, the listing of the shares of the Company is at the discretion of BSE and subject to SEBI approval, upon fulfillment of the following conditions:

1. submission of the Information Memorandum in line with the disclosure requirements applicable for public issues with BSE for making the same available to the public; and
2. to publish an advertisement in accordance with the requirements of the SEBI Scheme Circular with specific reference to this Information Memorandum made available to the public through its website.

As required, the Information Memorandum is available on the website of the Company and relevant advertisements have been published in accordance with the requirements of the SEBI Scheme Circular.

### **Disclaimer clause of the National Stock Exchange of India Limited**

NSE has vide its letter dated September 15, 2023, bearing reference no. NSE/LIST/35780\_I granted its letter of "No objection" on the Scheme under Regulation 94 of the SEBI LODR Regulations. As required by the aforementioned letter, we hereby state that the approval given by NSE should not in any manner be deemed or construed that the Scheme has been approved by NSE; and/ or NSE does not in any manner warrant, certify or endorse the correctness or completeness of the details provided for the unlisted Company; does not in any manner take any responsibility for the financial or other soundness of the Resulting Company, its promoters, its management etc.

### **Listing**

An application has been made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of our Company. The Resulting Company has nominated NSE as the Designated Stock Exchange for the aforesaid listing of the Equity Shares. Our Company has taken steps for completion of necessary formalities for listing and commencement of trading at BSE and NSE.

### **Eligibility for this issue**

There being no initial public offering or rights issue, the eligibility criteria in terms of the SEBI ICDR Regulations, as amended, does not become applicable. Our Company submitted this Information Memorandum, containing information about our Company, making disclosures in line with the disclosure requirement for public issues, as applicable to BSE and NSE. The Information Memorandum, once finalised, shall be made publicly available through the respective websites of the Stock Exchanges i.e., [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and through our website on [www.inveniatech.com](http://www.inveniatech.com). Our Company will publish an advertisement in the newspapers containing its details as per the SEBI Scheme Circular.

## Filing

This Information Memorandum is being filed with BSE and NSE.

## Expert opinions

The Company has not obtained any expert opinion.

## Public issues or rights issues of our Company

Our Company was incorporated on March 26, 2021 and has not made any public issue or rights issue since incorporation.

## Commission and brokerage on previous issues

Since our Company has not issued shares to the public in the past, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its incorporation.

## Capital issue during the previous three years by our Company, listed Group Companies, listed Subsidiaries and listed associates of our company

Our Company has not undertaken a capital issue to the public in the last three years preceding the date of this Information Memorandum.

Except for the following listed Group Companies, none of our Subsidiaries or Group Companies are listed on any Stock Exchange as on the date of this Information Memorandum:

1. Vedanta Limited
2. Sterlite Technologies Limited
3. Hindustan Zinc Limited

Except for capital issues undertaken by Sterlite Technologies Limited and Vedanta Limited, none of our listed Group Companies have made any capital issuances the three years preceding the date of this Information Memorandum.

| Particulars                                                                            | Details of Capital Issue undertaken by Sterlite Technologies Limited                                                                  | Details of Capital Issue undertaken by Vedanta Limited                  |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Year of issue                                                                          | 2024-25                                                                                                                               | 2024                                                                    |
| Type of issue                                                                          | Qualified Institutions Placement                                                                                                      | Qualified Institutional Placement                                       |
| Amount of issue                                                                        | Rs. 9,99,99,99,977                                                                                                                    | Rs. 84,99,99,99,920                                                     |
| Date of closure of issue                                                               | April 12, 2024                                                                                                                        | July 19, 2024                                                           |
| Date of allotment                                                                      | April 12, 2024                                                                                                                        | July 20, 2024                                                           |
| Date of credit of securities to the dematerialized account                             | April 16, 2024                                                                                                                        | July 20, 2024                                                           |
| Date of completion of the project, where object of the issue was financing the project | July 31, 2024 – Repayment in full or part of certain borrowings of the Company<br><br>September 30, 2024 – General corporate purposes | Not Applicable as the object of the issue was not financing any project |
| Rate of dividend paid                                                                  | Nil                                                                                                                                   | Nil                                                                     |

Further, our Company does not have any associate company.

## Performance vis-vis objects

Since its incorporation, our Company has not issued any Equity Shares to public. The Equity Shares of our Company will be listed on the Stock Exchanges pursuant to the Scheme.

**Stock market data for equity shares of our Company**

Equity Shares of our Company are not listed on any stock exchange. Our Company is seeking approval for the listing of shares through this Information Memorandum.

**Outstanding debenture or bonds and redeemable preference shares and other instruments issued by our Company**

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by our Company.

**Disposal of investor grievances**

Our Company has the following platforms for addressing investors' grievances

**E-mail ID:** investors@inveniatech.com

**SCORES:** coms02193

Shareholders can express their grievances by sending mails to above e-mail id or raise complaints in SCORES (Common Portal introduced by SEBI). Further, the shareholders can also raise their grievances with our Company Secretary.

*Our Company has also constituted a Stakeholders Relationship Committee to specifically look into various aspects of interest of shareholders, and other security holders. The Committee's role shall, inter alia, include redressal of the grievances of stakeholders.*

*Our Company has received one investor grievance on SCORES in the last three Financial Years prior to the filing of this Information Memorandum. Our Company has provided an immediate response to the said grievance and the same is pending as on the date of filing of this Information Memorandum.*

*Our Company estimates that the average time required by our Company or the Registrar and Share Transfer Agent, for the redressal of routine investor grievances shall be 7 - 10 Working Days from the date of receipt of any such complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.*

**Company Secretary and Compliance Officer**

Ms. Meenal Bansal is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

**Address:** Capital Cyberscape,  
15th and 16th Floor,  
Sector - 59, Gurugram,  
Haryana, 122102

**Tel:** 0124 – 4561850

**Email:** meenal.bansal@inveniatech.com

## SECTION VIII – OTHER INFORMATION

### MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

#### COMPANY LIMITED BY SHARES

(Incorporated under the Companies Act, 2013)

#### ARTICLES OF ASSOCIATION OF STL NETWORKS LIMITED

The following regulations comprised in these Articles of Association were adopted pursuant to members' resolution passed in the Extra Ordinary General Meeting held on March 21, 2025, in substitution for, and to the entire exclusion of, the earlier regulations comprised in the extant Articles of Association of the Company.

#### TABLE 'F' EXCLUDED

- |    |     |                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                     |
|----|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| 1. | (1) | No regulations contained in Table F, in the First Schedule to the Companies Act, 2013, shall apply to this Company, except in so far as the same are repeated, contained or expressly made applicable in these Articles or by the said Act.                                                                                                                                                                      | Table 'F' not to apply but Company to be governed by these Articles |
|    | (2) | The regulations for the management of the Company and for the observance of the members thereof and their representatives, shall, subject to the exercise of any statutory powers of the Company with reference to the repeal or alteration of, or deletion of or addition to, its regulations by Resolution, as prescribed or permitted by the Companies Act, 2013, be such as are contained in these Articles. |                                                                     |
| 2. | (1) | In the interpretation of these Articles, unless repugnant to the subject or context:-                                                                                                                                                                                                                                                                                                                            | Interpretation clause                                               |
|    | a.  | "The Company" or " this Company" means <b>STL NETWORKS LIMITED</b> .                                                                                                                                                                                                                                                                                                                                             | "The Company" or 'this Company"                                     |
|    | b.  | "The Act" means " the Companies Act, 2013", or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as maybe applicable.                                                      | "The Act"                                                           |
|    | c.  | "Articles" means these articles of association of the Company or as altered from time to time.                                                                                                                                                                                                                                                                                                                   | "Articles"                                                          |
|    | d.  | "Board" or "Board of Directors" means a means the collective body of the directors of the Company.                                                                                                                                                                                                                                                                                                               | "Board" or "Board of Directors" "Board Meeting"                     |
|    | e.  | "Board meeting" means a meeting of the Directors duly called and constituted or, as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a resolution by circulation in accordance with the Articles, or the Directors of the Company collectively.                                                                                                        |                                                                     |

- f. “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act. “Rules”
- g. “The Seal” means the Common Seal of the Company. “The seal”
- h. “Promoters” shall at any time means the shareholder or group of shareholders who have been identified as Promoters in the immediately preceding annual disclosure under Regulation 30 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011 as amended from time to time and who in aggregate hold at least 25% (Twenty Five) of the issued, subscribed and paid-up equity share capital of the Company. “Promoters”
- (2) Words importing the singular number shall include the plural number and words importing the masculine gender shall, where the context admits, include the feminine and neuter gender. “Number” and “Gender”
- (3) The marginal notes and catch lines used in these Articles shall not affect the construction thereof. "Marginal Notes and Catch Lines"
- (4) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.

### **Share Capital and Variation of Rights**

3. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Shares under control of Board
4. Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be. Directors may allot shares otherwise than for cash
5. The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: Kinds of Share Capital
- (a) Equity share capital:
- (i) with voting rights; and / or
- (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and
- (b) Preference share capital

- |    |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                      |
|----|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| 6. | (1) | Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the conditions of issue shall provide –                                                                                                                                                                                                                                                           | Issue of certificate                                                                 |
|    |     | (a) one certificate for all his shares without payment of any charges; or                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                      |
|    |     | (b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                      |
|    | (2) | Every certificate shall be under the Seal and shall specify the shares to which it relates and the amount paid-up thereon.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Certificate to bear Seal                                                             |
|    | (3) | In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.                                                                                                                                                                                                                                                                                                                                         | One certificate for shares held jointly                                              |
| 7  |     | A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialised state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.                                                                                                                                                    | Option to receive share certificate or hold shares with depository                   |
| 8  |     | If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board. | Issue of new certificate in place of one defaced, lost or destroyed                  |
| 9  |     | The provisions of the foregoing Articles relating to issue of certificates shall mutatis mutandis apply to issue of certificates for any other securities including debentures (except where the Act otherwise requires) of the Company.                                                                                                                                                                                                                                                                                                                                                                  | Provisions as to issue of certificates to apply mutatis mutandis to debentures, etc. |
| 10 | (1) | The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules.                                                                                                                                                                                                                                                                                        | Power to pay commission in connection with securities issued                         |
|    | (2) | The rate or amount of the commission shall not exceed the rate or amount prescribed in the Rules.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Rate of commission in accordance with Rules                                          |
|    | (3) | The commission may be satisfied by the payment of cash or the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Mode of payment of                                                                   |

allotment of fully or partly paid shares or partly in the one way and partly in the other. commission

- |    |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                             |
|----|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| 11 | (1) | If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act.                                  | Variation of members' rights                                                |
|    | (2) | To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply.                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Provisions as to general meetings to apply mutatis mutandis to each meeting |
| 12 |     | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.                                                                                                                                                                                                                                                             | Issue of further shares not to affect rights of existing members            |
| 13 |     | Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.                                                                                                                                                                                                                                                                   | Power to issue redeemable preference shares                                 |
| 14 | (1) | The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to –<br>(a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or<br>(b) employees under any scheme of employees' stock option; or<br>(c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above. | Further issue of share capital                                              |
|    | (2) | A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the Rules.                                                                                                                                                                                                                                                                                                                                                             | Mode of further issue of shares                                             |

#### Lien

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|----|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| 15 | (1) | The Company shall have a first and paramount lien -<br><br>(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and<br>(b) on all shares (not being fully paid shares) standing registered in the name of a member, for all monies presently payable by him or his estate to the Company: | Company's Lien on shares |
|----|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|



Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

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|-----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| (2)       | The Company's lien, if any, on a share shall extend to all dividends or interest, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owing to the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Lien to extend to dividends, etc.                                                                                                   |
| (3)       | Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Waiver of lien in case of registration                                                                                              |
| <b>16</b> | <p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made—</p> <p>(a) unless a sum in respect of which the lien exists is presently payable; or</p> <p>(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or to the person entitled thereto by reason of his death or insolvency or otherwise.</p>                                                                                                                                                                                                              | As to enforcing lien by sale.                                                                                                       |
| <b>17</b> | <p>(1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</p> <p>(2) The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>(3) The receipt of the Company for the consideration (if any) given for the share on the sale thereof shall (subject, if necessary, to execution of an instrument of transfer or a transfer by relevant system, as the case may be) constitute a good title to the share and the purchaser shall be registered as the holder of the share.</p> <p>(4) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.</p> | <p>Validity of sale</p> <p>Purchaser to be registered holder</p> <p>Validity of Company's receipt</p> <p>Purchaser not Affected</p> |
| <b>18</b> | <p>(1) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</p> <p>(2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</p>                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Application of proceeds of sale</p> <p>Payment of residual money</p>                                                             |
| <b>19</b> | In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Outsider's lien not to affect Company's lien                                                                                        |

any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

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|-----------|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>20</b> | The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company. | Provisions as to lien to apply mutatis mutandis to debentures, etc. |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|

### Calls on Shares

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|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| <b>21</b> | (1) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.                                                                    | Board may make calls                        |
|           | (2) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.                                                                                                               | Notice of calls                             |
|           | (3) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances.                                                                                                                                          | Board may extend time for payment           |
|           | (4) A call may be revoked or postponed at the discretion of the Board.                                                                                                                                                                                                                                                                        | Revocation or postponement of call          |
| <b>22</b> | A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.                                                                                                                                                                          | Call to take effect from date of resolution |
| <b>23</b> | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.                                                                                                                                                                                                                                       | Liability of joint holders of shares.       |
| <b>24</b> | (1) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be fixed by the Board                                                           | When interest on call or instalment payable |
|           | (2) The Board shall be at liberty to waive payment of any such Interest wholly or in part.                                                                                                                                                                                                                                                    | Board may waive Interest                    |
| <b>25</b> | (1) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. | Sums deemed to be calls.                    |
|           | (2) In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.                                                                                               | Effect of nonpayment of sums                |

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                      |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|
| 26 | <p>The Board –</p> <p>(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.</p> | Payment in anticipation of calls may carry interest                  |
| 27 | <p>If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by instalments, then every such instalment shall, when due, be paid to the Company by the person who, for the time being and from time to time, is or shall be the registered holder of the share or the legal representative of a deceased registered holder.</p>                                                                                                                                                                                                                                                       | Instalments on shares to be duly paid                                |
| 28 | <p>All calls shall be made on a uniform basis on all shares falling under the same class.</p> <p><b>Explanation:</b> Shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class.</p>                                                                                                                                                                                                                                                                                                                                                                                             | Calls on shares of same class to be on uniform basis                 |
| 29 | <p>Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.</p>                                                                                                                                                 | Partial payment not to preclude forfeiture                           |
| 30 | <p>The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including debentures of the Company.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Provisions as to calls to apply mutatis mutandis to debentures, etc. |

### Transfer of Shares

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|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| 31 | <p>(1) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.</p> <p>(2) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.</p> | Instrument of transfer to be executed by transferor and transferee |
| 32 | <p>The Board may, subject to the right of appeal conferred by the Act decline to register –</p> <p>(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</p>                                                                                                        | Board may refuse to register transfer                              |

(b) any transfer of shares on which the Company has a lien.

- 33** In case of shares held in physical form, the Board may decline to recognise any instrument of transfer unless – Board may decline to recognize instrument of transfer
- (a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;
  - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (c) the instrument of transfer is in respect of only one class of shares.
- 34** On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Transfer of shares when suspended
- Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
- 35** The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company. Provisions as to transfer of shares to apply mutatis mutandis to debentures, etc.

### **Transmission of Shares**

- 36** (1) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares. Title to shares on death of a member
- (2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons Estate of deceased member liable
- 37** (1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either – Transmission Clause
- (a) to be registered himself as holder of the share; or
  - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency. Board's right unaffected
- (3) The Company shall be fully indemnified by such person from all Indemnity to the Company

liability, if any, by actions taken by the Board to give effect to such registration or transfer.

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|----|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| 38 | (1) | If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.                                                                                                                                                                                                                                         | Right to election of holder of share                                        |
|    | (2) | If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.                                                                                                                                                                                                                                                                                                               | Manner of testifying election                                               |
|    | (3) | All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.                                                                                           | Limitations applicable to notice                                            |
| 39 |     | A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company: | Claimant to be entitled to same advantage                                   |
|    |     | Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.                                             |                                                                             |
| 40 |     | The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.                                                                                                                                                                                                                                                                      | Provisions as to transmission to apply mutatis mutandis to debentures, etc. |

### Forfeiture of Shares

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|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| 41 | If a member fails to pay any call, or instalment of a call or any money due in respect of any share, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or instalment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment. | If call or instalment not paid notice must be given |
| 42 | The notice aforesaid shall:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Form of Notice                                      |
|    | (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and                                                                                                                                                                                                                                                                                                                                                                                                       |                                                     |

- (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
- 43 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. In default of payment shares to be forfeited
- 44 Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture. Receipt of part amount or grant of indulgence not to affect forfeiture
- 45 When any share shall have been so forfeited, notice of the forfeiture shall be given to the defaulting member and an entry of the forfeiture with the date thereof, shall forthwith be made in the register of members but no forfeiture shall be invalidated by any omission or neglect or any failure to give such notice or make such entry as aforesaid. Entry of forfeiture in register of members
- 46 The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share. Effect of forfeiture
- 47 (1) A forfeited share shall be deemed to be the property of the Company and may be sold or re-allotted or otherwise disposed of either to the person who was before such forfeiture the holder thereof or entitled thereto or to any other person on such terms and in such manner as the Board thinks fit. Forfeited shares may be sold, etc.
- (2) At any time before a sale, re-allotment or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit. Cancellation of forfeiture
- 48 (1) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay, and shall pay, to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. Members still liable to pay money owing at the time of forfeiture
- (2) All such monies payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realisation. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the monies due, without any allowance for the value of the shares at the time of forfeiture or waive payment in whole or in part. Member still liable to pay money owing at time of forfeiture and interest

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|    | (3) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.                                                                                                                                                                                                                                                                                                                                                  | Cesser of liability                                                                 |
| 49 | (1) A duly verified declaration in writing that the declarant is a director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;                                                                                                                                                           | Certificate of Forfeiture                                                           |
|    | (2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;                                                                                                                                                                                                                                                                     | Title of purchaser and transferee of forfeited shares                               |
|    | (3) The transferee shall thereupon be registered as the holder of the share; and                                                                                                                                                                                                                                                                                                                                                                                                                       | Transferee to be registered as holder                                               |
|    | (4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.                                                                                                                                                                                                                          | Transferee not Affected                                                             |
| 50 | Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.                            | Validity of sales                                                                   |
| 51 | Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto. | Cancellation of share certificate in respect of forfeited shares                    |
| 52 | The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.                                                                                                                                                                                                                                                                                                                              | Surrender of share Certificates                                                     |
| 53 | The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.                                                                                                                                                                   | Sums deemed to be calls                                                             |
| 54 | The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.                                                                                                                                                                                                                                                                                                                                            | Provisions as to forfeiture of shares to apply mutatis mutandis to debentures, etc. |



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| 55 | Subject to the provisions of the Act, the Company may, by ordinary resolution –                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Power to alter share capital       |
|    | <ul style="list-style-type: none"> <li>(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;</li> <li>(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares:<br/>Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;</li> <li>(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;</li> <li>(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;</li> <li>(e) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.</li> </ul> |                                    |
| 56 | Where shares are converted into stock:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Shares may be converted into stock |
|    | <ul style="list-style-type: none"> <li>(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:<br/><br/>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;</li> </ul>                                                                                                                                                                                                                                                                                                                                |                                    |
|    | <ul style="list-style-type: none"> <li>(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;</li> <li>(c) such of these Articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder”/“member” shall include “stock” and “stock-holder” respectively.</li> </ul>                                                                       | Right of stockholders              |
| 57 | The Company may, by resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, —                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Reduction of capital               |
|    | <ul style="list-style-type: none"> <li>(a) its share capital; and/or</li> <li>(b) any capital redemption reserve account; and/or</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                    |

- (c) any securities premium account; and/or
- (d) any other reserve in the nature of share capital.

### **Joint Holders**

|           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                           |
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| <b>58</b> | Where two or more persons are registered as joint holders (not more than three) of any share, they shall be deemed (so far as the Company is concerned) to hold the same as joint tenants with benefits of survivorship, subject to the following and other provisions contained in these Articles:                                                                                                                                                                                   | Joint-holders                                                                             |
|           | (a) The joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls or instalments and other payments which ought to be made in respect of such share.                                                                                                                                                                                                                                                                                    | Liability of Jointholders                                                                 |
|           | (b) On the death of any one or more of such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit, and nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.                                                   | Death of one or more joint-holders                                                        |
|           | (c) Any one of such joint holders may give effectual receipts of any dividends, interests or other moneys payable in respect of such share.                                                                                                                                                                                                                                                                                                                                           | Receipt of one sufficient                                                                 |
|           | (d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.                                                                                                | Delivery of certificate and giving of notice to first named holder                        |
|           | (e)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Vote of jointholders                                                                      |
|           | (i) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such jointholders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof. |                                                                                           |
|           | (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.                                                                                                                                                                                                                                                                                                    | Executors or administrators as joint holders                                              |
|           | (f) The provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.                                                                                                                                                                                                                                                                                          | Provisions as to joint holders as to shares to apply mutatis mutandis to debentures, etc. |

## Capitalisation of Profits

- 59** (1) The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve — Capitalisation.
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
  - (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3) below, either in or towards : How sum applied
- (a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
  - (b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
  - (c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b).
- (3) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
- (4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
- 60** (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall — Powers of the Board for capitalisation
- (a) make all appropriations and applications of the amounts resolved to be capitalised thereby, and all allotments and issues of fully paid shares or other securities, if any; and
  - (b) generally do all acts and things required to give effect thereto.
- (2) The Board shall have power— Board's power to issue fractional certificate/ coupon etc.
- (a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and
  - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application

thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.

- (3) Any agreement made under such authority shall be effective and binding on such members. Agreement binding on members

### **Buy-back of Shares**

- 61 Notwithstanding anything contained in these Articles but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities. Buy-back of shares

### **General Meetings**

- 62 All general meetings other than annual general meeting shall be called extraordinary general meeting. Extraordinary general meeting
- 63 The Board may, whenever it thinks fit, call an extraordinary general meeting. Powers of Board to call extraordinary general meeting

### **Proceedings at General Meetings**

- 64 (1) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Presence of Quorum
- (2) No business shall be discussed or transacted at any general meeting except election of chairperson whilst the chair is vacant. Business confined to election of chairperson whilst chair vacant
- (3) The quorum for a general meeting shall be as provided in the Act. Quorum for general meeting
- 65 The chairperson of the Company shall preside as chairperson at every general meeting of the Company. Chairperson of the meetings
- 66 If there is no such chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be chairperson of the meeting. Directors to elect a chairperson
- 67 If at any meeting no director is willing to act as chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by poll or electronically, choose one of their members to be chairperson of the meeting. Members to elect a chairperson
- 68 On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the chairperson shall have a second or casting vote. Casting vote of chairperson at general meeting

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| 69 | (1) | The Company shall cause minutes of the proceedings of every general meeting of any class of members or creditors and every resolution passed by postal ballot to be prepared and signed in such manner as may be prescribed by the Rules and kept by making within thirty days of the conclusion of every such meeting concerned or passing of resolution by postal ballot entries thereof in books kept for that purpose with their pages consecutively numbered.                                          | Minutes of proceedings of meetings and resolutions passed by postal ballot |
|    | (2) | There shall not be included in the minutes any matter which, in the opinion of the chairperson of the meeting –                                                                                                                                                                                                                                                                                                                                                                                             | Certain matters not to be included in Minutes                              |
|    |     | (a) is, or could reasonably be regarded, as defamatory of any person;<br>or                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                            |
|    |     | (b) is irrelevant or immaterial to the proceedings; or                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                            |
|    |     | (c) is detrimental to the interests of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                            |
|    | (3) | The chairperson shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.                                                                                                                                                                                                                                                                                                                            | Discretion of chairperson in relation to Minutes                           |
|    | (4) | The minutes of the meeting kept in accordance with the provisions of the Act shall be evidence of the proceedings recorded therein.                                                                                                                                                                                                                                                                                                                                                                         | Minutes to be evidence                                                     |
| 70 | (1) | The books containing the minutes of the proceedings of any general meeting of the Company or a resolution passed by postal ballot shall:                                                                                                                                                                                                                                                                                                                                                                    | Inspection of minute books of general meeting                              |
|    |     | (a) be kept at the registered office of the Company; and                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                            |
|    |     | (b) be open to inspection of any member without charge, during business hours on all working days other than Saturdays.                                                                                                                                                                                                                                                                                                                                                                                     |                                                                            |
|    | (2) | Any member shall be entitled to be furnished, within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in clause (1) above:                                                                                                                                                                                                                             | Members may obtain copy of minutes                                         |
|    |     | Provided that a member who has made a request for provision of a soft copy of the minutes of any previous general meeting held during the period immediately preceding three financial years, shall be entitled to be furnished with the same free of cost.                                                                                                                                                                                                                                                 |                                                                            |
| 71 |     | The Board, and also any person(s) authorised by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision. | Powers to arrange security at meetings                                     |

#### Adjournment of Meeting

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| 72 | (1) | The chairperson may, <i>suo motu</i> , adjourn the meeting from time to time and from place to place. | Chairperson may adjourn the meeting |
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| (2) | No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.                          | Business at adjourned meeting            |
| (3) | When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.                                      | Notice of adjourned meeting              |
| (4) | Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting. | Notice of adjourned meeting not required |

### Voting Rights

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| 73 | Subject to applicable provisions of the Act and any rights or restrictions for the time being attached to any class or classes of shares –<br>(a)<br>(i) on a show of hands, every member present in person shall have one vote;<br>(ii) on remote e-voting or voting through electronic means / ballot papers at meeting place, the voting rights of members shall be in proportion to his share in the paid-equity equity share capital of the Company and<br><br>(b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company. | Entitlement to vote on show of hands and on poll                   |
| 74 | A member may exercise his vote by remote e-voting through e-voting facility as made available by the Company or at a meeting by electronic means or through ballot papers in accordance with the Act and shall vote only once.                                                                                                                                                                                                                                                                                                                                                                          | Voting through electronic means                                    |
| 75 | (1) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.<br><br>(2) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.                                                                                                                                                                                                                                                                                    | Votes of jointholders<br><br>Seniority of names                    |
| 76 | A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.                                                                                                                                                                                                                                   | How members non compos mentis and minor may vote                   |
| 77 | Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall                                                                                                                                                                                | Votes in respect of shares of deceased and insolvent members, etc. |

duly satisfy the Board of his right to such shares unless the board shall have previously admitted his right to vote at such meeting in respect thereof.

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| <b>78</b> | Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.                                                                                                                                                                 | Business may proceed pending poll                                  |
| <b>79</b> | No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or in regard to which the Company has exercised any right of lien.                                                | Restriction on voting rights                                       |
| <b>80</b> | A member is not prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in the preceding Article. | Restriction on exercise of voting rights in other cases to be void |
| <b>81</b> | Any member whose name is entered in the register of members of the Company shall enjoy the same rights and be subject to the same liabilities as all other members of the same class.                                                                                                   | Equal rights of members                                            |

#### **Proxy**

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| <b>82</b> | (1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.                                                                                                                                                                                                                                                                                                                                                                                                                                          | Member may vote in person or otherwise                               |
|           | (2) The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.                                                                                                                                                                                        | Proxies when to be deposited                                         |
| <b>83</b> | An instrument appointing a proxy shall be in the form as prescribed in the Rules.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Form of proxy.                                                       |
| <b>84</b> | A vote given in accordance with the terms of an instrument of proxy shall be valid provided the member has not already exercised his votes through e-voting facility, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:<br><br>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used. | Validity of votes given by proxy notwithstanding death of principal. |

#### **Board of Directors**

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| <b>85</b> | Unless otherwise determined by the Company in general meeting, the | Number of Directors |
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number of directors shall not be less than 3 (three) and shall not be more than 15 (fifteen).

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| 86 | The Board shall have the power to determine the directors whose period of office is or is not liable to determination by retirement of directors by rotation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Directors not liable to retire by rotation                                                                                            |
| 87 | <p>(1) The Promoter shall have the right by a notice in writing addressed to the Company, to appoint such number of persons as shall together with the directors appointed not exceed one-third of the total number of directors for the time being of the Company, as directors of the Company and to remove such persons from office, and on a vacancy being caused in such office from any cause, whether by resignation, death, removal or otherwise, of any such person so appointed, to appoint another to fill such vacancy.</p> <p>(2) The same individual may, at the same time, be appointed as the chairperson of the Company as well as the managing director or chief executive officer of the Company.</p>                                                                                                                                                                                                                                                                                                                                            | <p>Appointment of Directors by Promoters</p> <p>Same individual may be chairperson and managing director/ chief executive officer</p> |
| 88 | The Board may appoint an alternate director to act for a director (hereinafter called "the <b>Original Director</b> ") during his absence for a period of not less than three months from India in which meetings of the Board are ordinarily held: Provided that in the case of a Director appointed by Promoters under Article 88, the alternate director to be appointed for such original Director shall be a person approved or recommended by Promoters. An alternate director so appointed shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the State in which meetings of the Board are ordinarily held. If the term of office of the original Director is determined before he so returns to the India aforesaid, any provision for the automatic re-appointment of retiring directors in default of another appointment shall apply to the original Director and not to the alternate director. | Appointment of alternate directors.                                                                                                   |
| 89 | <p>(1) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p> <p>(2) Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>Appointment of additional directors</p> <p>Duration of office of additional director</p>                                           |
| 90 | (1) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Appointment of director to fill a casual vacancy                                                                                      |
| 91 | (2) The director so appointed shall hold office only upto the date upto                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Duration of office of                                                                                                                 |

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|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
|    | which the director in whose place he is appointed would have held office if it had not been vacated.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Director appointed to fill casual vacancy                                                                             |
| 92 | <p>(1) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.</p> <p>(2) The remuneration payable to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act by an ordinary resolution passed by the Company in general meeting.</p> <p>(3) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—</p> <p>(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or</p> <p>(b) in connection with the business of the Company.</p>                                                                                                        | <p>Remuneration of directors</p> <p>Remuneration to require members' consent</p> <p>Travelling and other expenses</p> |
| 93 | <p>Debenture trustees, on behalf of the debenture holders, shall have a right to recommend and appoint and nominate in writing a Director on the Board of Directors of the Company (hereinafter referred to as the "Debenture Trustee Nominee Director") in the event of:</p> <ol style="list-style-type: none"> <li><i>two consecutive defaults in payment of interest to the debenture holders; or</i></li> <li><i>default in creation of security for debentures; or</i></li> <li><i>default in redemption of debentures.</i></li> </ol> <p>The right to appoint the Debenture Trustee Nominee Director shall be exercised by the debenture trustees as per the statutory guidelines as may be applicable from time to time. The Debenture Trustee Nominee Director appointed pursuant to above clauses shall neither be liable to retire by rotation nor shall be required to hold any qualification shares."</p> | Debenture Trustee Nominee Director                                                                                    |
| 94 | All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Execution of negotiable instruments                                                                                   |

### Powers of Board

|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                               |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| 95 | The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers or delegate the same to any person through suitable means including but not limited to power of attorney, letter of authority, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time | General powers of the Company vested in Board |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|

to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

### **Proceedings of the Board**

- |            |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                      |
|------------|-----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|
| <b>96</b>  | (1) | The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. The directors may meet at least once in every three months and at least four such meetings shall be held in every year. The directors may adjourn and otherwise regulate their meetings as they think fit.                                                                                                                                                                       | When meeting to be convened                          |
|            | (2) | The chairperson or any one director with the previous consent of the chairperson may, or the company secretary on the direction of the chairperson shall, at any time, summon a meeting of the Board.                                                                                                                                                                                                                                                                                                        | Who may summon Board meeting                         |
|            | (3) | The quorum for a Board meeting shall be as provided in the Act.                                                                                                                                                                                                                                                                                                                                                                                                                                              | Quorum for Board meetings                            |
|            | (4) | The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.                                                                                                                                                                                                                                                                                          | Participation at Board meetings                      |
| <b>97</b>  | (1) | Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes the chairperson of the Board shall have a casting vote provided, however, that where any director or directors are appointed in pursuance of Article 88, no resolution shall be passed by the Board or its committee unless any one of the directors so appointed or his alternate shall have voted in favour of such resolution. | Questions at Board meeting how decided               |
|            | (2) | In case of an equality of votes, the chairperson of the Board, if any, shall have a second or casting vote.                                                                                                                                                                                                                                                                                                                                                                                                  | Casting vote of chairperson at Board meeting         |
| <b>98</b>  |     | The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.                                                                                                         | Directors not to act when number falls below minimum |
| <b>99</b>  | (1) | The chairperson of the Company shall be the chairperson at meetings of the Board. In his absence, the Board may elect a chairperson of its meetings and determine the period for which he is to hold office.                                                                                                                                                                                                                                                                                                 | Who to preside at meetings of the Board              |
|            | (2) | If no such chairperson is elected, or if at any meeting the chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of their member to be chairperson of the meeting.                                                                                                                                                                                                                                                       | Directors to elect a chairperson                     |
| <b>100</b> | (1) | The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body or any person as it thinks fit.                                                                                                                                                                                                                                                                                                                               | Delegation of powers                                 |

|                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                        |
|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
|                                                                                        | (2) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.                                                                                                                                                                                                                                                                                                                                                               | Committee to conform to Board regulations                              |
|                                                                                        | (3) The participation of directors in a meeting of the committee may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.                                                                                                                                                                                                                                                                                     | Participation at committee meetings                                    |
| 101                                                                                    | (1) A committee may elect a chairperson of its meetings unless the Board, while constituting a committee, has appointed a chairperson of such committee.                                                                                                                                                                                                                                                                                                                                                        | Chairperson of committee                                               |
|                                                                                        | (2) If no such chairperson is elected, or if at any meeting the chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be chairperson of the meeting.                                                                                                                                                                                                                                                       | Who to preside at meetings of committee                                |
| 102                                                                                    | (1) A committee may meet and adjourn as it thinks fit.                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Committee to meet                                                      |
|                                                                                        | (2) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present.                                                                                                                                                                                                                                                                                                                                                                                          | Questions at committee meeting how decided                             |
|                                                                                        | (3) In case of an equality of votes, the chairperson of the committee shall have a second or casting vote.                                                                                                                                                                                                                                                                                                                                                                                                      | Casting vote of chairperson at committee meeting                       |
| 103                                                                                    | All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly appointed and was qualified to be a director. | Acts of Board or committee valid notwithstanding defect of appointment |
| 104                                                                                    | Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.                                                                                               | Passing of resolution by circulation                                   |
| <b>Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                        |
| 105                                                                                    | Subject to the provisions of the Act, —                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Chief Executive Officer, etc.                                          |
|                                                                                        | (a) A chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of                                                                                                                                                                           |                                                                        |

a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

- (b) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. Director may be chief executive officer, etc.

### Registers

- 106** The Company shall keep and maintain at its registered office all statutory registers namely, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The registers and copies of annual return shall be open for inspection during business hours on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules, subject to delivery of prior reasonable written notice at the registered office of the Company. Statutory registers

- 107** The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register. Foreign register

The foreign register shall be open for inspection and may be closed, and extracts may be taken therefrom and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the register of members.

### The Seal

- 108** (1) The Board shall provide for the safe custody of the seal. The seal, its custody and use
- (2) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board or committee may appoint for the purpose; and such director or manager or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in his presence. Affixation of seal
- (3) Subject to the provisions of the Act and amendment thereto, if any, made from time to time, and with the authorisation of Board, the Company may dispense/make the affixing of the Common Seal in documents, optional.

## Dividends and Reserve

|            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                  |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>109</b> | The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Company in general meeting may declare dividends                                                                                                 |
| <b>110</b> | Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Interim dividends                                                                                                                                |
| <b>111</b> | <p>(1) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.</p> <p>(2) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.</p>                                                                                                                                                                                          | <p>Dividends only to be paid out of profits</p> <p>Carry forward of profits</p>                                                                  |
| <b>112</b> | <p>(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share.</p> <p>(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p> | <p>Division of Profits</p> <p>Payments in advance</p> <p>Dividends to be apportioned</p>                                                         |
| <b>113</b> | <p>(1) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.</p> <p>(2) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>No member to receive dividend whilst indebted to the Company and Company's right to reimbursement therefrom</p> <p>Retention of dividends</p> |
| <b>114</b> | (1) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Dividend how remitted                                                                                                                            |

the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

- |     |                                                                                                                                                                                                                                                                                                                                                         |                       |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| (2) | Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.                                                                                                                                                                                                                                                       | Instrument of payment |
| (3) | Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made. | Discharge to Company  |

|            |                                                                                                                                                          |                                  |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| <b>115</b> | Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share. | Receipt of one holder sufficient |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|

|            |                                                      |                          |
|------------|------------------------------------------------------|--------------------------|
| <b>116</b> | No dividend shall bear interest against the Company. | No interest on dividends |
|------------|------------------------------------------------------|--------------------------|

|            |                                                                                                                                                                                                                                                                                                                                                                                           |                     |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>117</b> | The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board. | Waiver of dividends |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|

#### Accounts

- |            |                                                                                                                                                                                                    |                                      |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|
| <b>118</b> | (1) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act and the Rules.  | Inspection by Directors              |
|            | (2) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board. | Restriction on inspection by members |

#### Winding Up

- |            |                                                                                                                                                                                                                                                                                                                                   |                       |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| <b>119</b> | Subject to the applicable provisions of the Act and the Rules made thereunder –                                                                                                                                                                                                                                                   | Winding up of Company |
|            | (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not. |                       |
|            | (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.                                                                                   |                       |
|            | (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the                                                                                                                                                                                     |                       |



contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

### **Indemnity and Insurance**

- 120** (a) Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses. Directors and officers right to Indemnity.
- (b) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the court.
- (c) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably. Insurance

### **General Power**

- 121** Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry out such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided. General power

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*Shareholders in their meeting held on 21st March 2025 adopted this set of articles of association*

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of our Company between 10:00 a.m. to 5:00 p.m. on any day (except Saturday, Sunday and public holidays) from the date of filing of the Information Memorandum with the Stock Exchanges until the listing of Equity Shares on the Stock Exchanges.

### *Documents for inspection*

1. Resolution of the Board of Directors of Company dated May 17, 2023, approving the Scheme.
2. Memorandum and Articles of Association of the Company, as amended till March 21, 2025.
3. Certificate of incorporation of our Company dated March 26, 2021.
4. Scheme of Arrangement between STL and our Company and their respective shareholders, as approved by the NCLT on February 14, 2025.
5. Certified copy of the order passed by the NCLT in Company Application No. C.A.(CAA)/24/MB/2024 and in Company Petition No. C.P.(CAA)/193/MB/2024 pronounced on February 14, 2025, approving the Scheme.
6. Observation letters issued by BSE and NSE under Regulation 37 of the SEBI Listing Regulations, bearing reference no. DCS/AMAL/TL/R37/2928/2023-24 dated September 28, 2023, and NSE/LIST/35780\_I dated September 15, 2023, respectively, according to 'no-objection' to the Scheme.
7. Tripartite Agreement with NSDL, Registrar and Transfer Agent and the Company dated April 17, 2025.
8. Tripartite Agreement with CDSL, Registrar and Transfer Agent and the Company dated April 24, 2025.
9. Statement of tax benefits dated May 1, 2025 issued by Agarwal Ankur and Co.
10. Audited consolidated Financial Statements for the financial year ended March 31, 2025 along with audit report.
11. Audited standalone Financial Statements for the financial years ended March 31, 2025, March 31, 2024, and March 31, 2023 along with audit reports.
12. Industry Report titled "Assessment of Global and India IT Services, Integrated Digital Solutions Market, and Data Centre, Cloud Services Industry, Optical Fibre Design and Deployment Industry in India" dated May 15, 2025, prepared by CRISIL Limited.

Any of the contracts or documents mentioned in the Information Memorandum may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines or circulars issued by SEBI, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines or circulars issued thereunder, as the case may be. I further certify that all the statements in this Information Memorandum are true and correct.

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

Sd/-

**Name:** Pravin Agarwal

**Designation:** Chairman and Non- Executive Director

**DIN:** 00022096

**Date:** August 25, 2025

**Place:** Mumbai

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines or circulars issued by SEBI, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines or circulars issued thereunder, as the case may be. I further certify that all the statements in this Information Memorandum are true and correct.

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

Sd/-

**Name:** Ankit Agarwal

**Designation:** Vice- Chairman and Non-Executive Director

**DIN:** 03344202

**Date:** August 25, 2025

**Place:** Mumbai

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines or circulars issued by SEBI, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines or circulars issued thereunder, as the case may be. I further certify that all the statements in this Information Memorandum are true and correct.

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

Sd/-

**Name:** Pankaj Malik

**Designation:** Chief Executive Officer and Whole Time Director

**DIN:** 10949402

**Date:** August 25, 2025

**Place:** Gurugram

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines or circulars issued by SEBI, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines or circulars issued thereunder, as the case may be. I further certify that all the statements in this Information Memorandum are true and correct.

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

Sd/-

**Name:** Dindayal Jalan

**Designation:** Non-Executive Independent Director

**DIN:** 00006882

**Date:** August 25, 2025

**Place:** Mumbai

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines or circulars issued by SEBI, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines or circulars issued thereunder, as the case may be. I further certify that all the statements in this Information Memorandum are true and correct.

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

Sd/-

**Name:** Kumud Madhok Srinivasan

**Designation:** Non-Executive Independent Director

**DIN:** 06487248

**Date:** August 25, 2025

**Place:** Calcutta, India

## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines or circulars issued by SEBI, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines or circulars issued thereunder, as the case may be. I further certify that all the statements in this Information Memorandum are true and correct.

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

Sd/-

**Name:** Bangalore Jayaram Arun

**Designation:** Non-Executive Independent Director

**DIN:** 02497125

**Date:** August 25, 2025

**Place:** San Jose, California, USA



## DECLARATION

I certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines or circulars issued by SEBI, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities Contracts (Regulation) Rules, 1957, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines or circulars issued thereunder, as the case may be. I further certify that all the statements in this Information Memorandum are true and correct.

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

Sd/-

**Name:** Gopal Chandra Rastogi

**Designation:** Chief Financial Officer

**Date:** August 25, 2025

**Place:** Gurugram