

# 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.

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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)

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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>

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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>

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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>

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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

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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.

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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.

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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.

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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

Page 2 of 6

- 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 - Subsidiary	26.99
Balance outstanding as at balance sheet date in respect of the above case - 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

Page 3 of 6

- 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 Crores)	INR	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 2020-21	Appellate Authority
		0.32		2017-18 2018-19 2019-20 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.
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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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- 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 March 31, 2025	As at March 31, 2024 (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 March 31, 2025	As at March 31, 2024 (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 &  
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 : U72900PN2021PLC199875

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

Particulars	Notes	Year ended March 31, 2025	Year ended March 31, 2024 (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

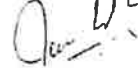
Place: Mumbai  
Date: June 30, 2025

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: 35091

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 March 31, 2025	Year ended March 31, 2024 (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 March 31, 2025	Year ended March 31, 2024 (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:**

- Non-cash financing and investing activities during the year pertain to acquisition of right to use assets of ₹ 2.09 (March 31, 2024: ₹ Nil)
- 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

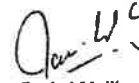
Place: Mumbai  
Date: June 30, 2025

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



Ankit Agarwal  
Vice Chairman &  
Non Executive Director  
DIN : 03344202

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



Pankaj Malik  
CEO and Whole Time  
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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) (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 Contribution by Parent	Reserves and surplus		Total
		Capital reserve (refer note 44)	Retained 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)
<b>Total comprehensive income for the year</b>	-	-	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
<b>Total comprehensive income for the year</b>	-	-	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 & 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**

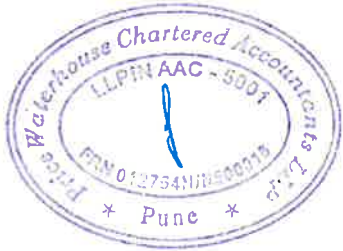
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the transaction price unless there are significant financing components, when they are recognised at fair value. The Company holds the 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 evaluated its property, plant and equipment (including right-of-use of assets) or intangible assets at 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 March 31, 2025	As at March 31, 2024 (Restated)
<b>Buildings</b>		
Cost		
Opening balance	33.16	-
Takenover pursuant to scheme of arrangement (refer note 44)	-	35.32
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 March 31, 2025	As at March 31, 2024 (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 March 31, 2025	As at March 31, 2024 (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 March 31, 2025	Year ended March 31, 2024 (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) (Refer note 26)	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.



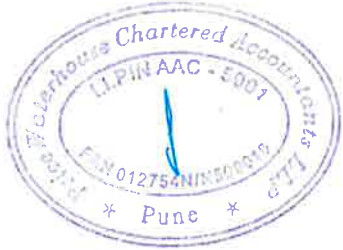
**STL NETWORKS LIMITED**

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)
<b>As at March 31, 2024 (Restated)</b>	<b>4.17</b>
Disposals/Adjustments	-
<b>As at March 31, 2025</b>	<b>4.17</b>
<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	-
<b>As at March 31, 2024 (Restated)</b>	<b>3.23</b>
Charge for the year	0.17
Disposals/Adjustments	-
<b>As at March 31, 2025</b>	<b>3.40</b>
<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 March 31, 2025	As at March 31, 2024 (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:**

- i) The Company has complied with the number of layers prescribed under the Companies Act, 2013
- ii) 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 March 31, 2025	As at March 31, 2024 (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 as at March 31, 2025	Percentage to the total loans and Advances in the 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 as at March 31, 2024 (Restated)	Percentage to the total loans and Advances in the nature of loan
<b>Amounts repayable on demand :</b>		
<b>Related parties</b>		
Sicrlite 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 March 31, 2025	As at March 31, 2024 (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 March 31, 2025	As at March 31, 2024 (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 March 31, 2025	As at March 31, 2024 (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 March 31, 2025	Year ended March 31, 2024 (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 March 31, 2025	Year ended March 31, 2024 (Restated)
<b>Deferred tax related to items recognised in OCI during the year</b>		
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 March 31, 2025	Year ended March 31, 2024 (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 March 31, 2025	As at March 31, 2024 (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 March 31, 2025	As at March 31, 2024 (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>	-



**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 March 31, 2025	As at March 31, 2024 (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)**

<b>Contract assets (unsecured, considered good)</b>		
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 March 31, 2025	As at March 31, 2024 (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	As at
	March 31, 2025	March 31, 2024 (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**

- 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.
- 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.
- 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.
- 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	As at
	March 31, 2025	March 31, 2024 (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:**

- 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 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	As at
	March 31, 2025	March 31, 2024 (Restated)
<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	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 authorized 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	8,19,676	0.17%	100.00%
Navin Kumar Agarwal	7,86,945	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
<b>Balance as at the end of the year</b>	<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)
<b>Balance as at the end of the year</b>	<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
<b>Balance as at the end of the year</b>	<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 March 31, 2025	As at March 31, 2024 (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>
Lease - 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 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. 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 March 31, 2025	As at March 31, 2024 (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:

a) 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.

b) 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.

c) 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 March 31, 2025	As at March 31, 2024 (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 March 31, 2025	As at March 31, 2024 (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 March 31, 2025	As at March 31, 2024 (Restated)
Opening balance	50.02	0.05
Add: Takenover pursuant to the Scheme of arrangement (refer note 44)	-	50.00
Cashflows	(49.99)	(0.03)
<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 March 31, 2025	As at March 31, 2024 (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. Sterite 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 ₹ 500, 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 March 31, 2025	As at March 31, 2024 (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	As at
	March 31, 2025	March 31, 2024 (Restated)
Total outstanding dues of micro enterprises and small enterprises (refer note 38)	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
	<u>813.51</u>	<u>1,158.46</u>
<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 Undisputed	Others Undisputed	MSME Undisputed	Others 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	12.28	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	As at
	March 31, 2025	March 31, 2024 (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	As at
	March 31, 2025	March 31, 2024 (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 March 31, 2025	Year ended March 31, 2024 (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 March 31, 2025	Year ended March 31, 2024 (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 March 31, 2025	Year ended March 31, 2024 (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 March 31, 2025	Year ended March 31, 2024 (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
Employers 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 March 31, 2025	Year ended March 31, 2024 (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 March 31, 2025	Year ended March 31, 2024 (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 March 31, 2025	Year ended March 31, 2024 (Restated)
<b>Payment to auditor</b>		
<b>As auditor:</b>		
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 March 31, 2025	Year ended March 31, 2024 (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 March 31, 2025	Year ended March 31, 2024 (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 March 31, 2025	Year ended March 31, 2024 (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 March 31, 2025	Year ended March 31, 2024 (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 March 31, 2025	Year ended March 31, 2024 (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 March 31, 2025	As at March 31, 2024 (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	3.62
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 March 31, 2025	As at March 31, 2024 (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 March 31, 2025	As at March 31, 2024 (Restated)
Defined benefit obligation at the beginning of the year	7.28	-
Takeover 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 March 31, 2025	As at March 31, 2024 (Restated)
Fair value of plan assets at the beginning of the year	1.30	-
Takeover 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 March 31, 2025 %	As at March 31, 2024 (Restated) %
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 March 31, 2025	As at March 31, 2024 (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 as are as follows:

Particulars	As at March 31, 2025	As at March 31, 2024 (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 March 31, 2025	Year ended March 31, 2024 (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 March 31, 2025	Year ended March 31, 2024 (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 March 31, 2025	As at March 31, 2024 (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	As at
	March 31, 2025	March 31, 2024 (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.

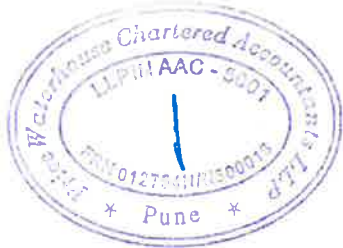
Increases in life expectancy of employee will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

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	As at
	March 31, 2025	March 31, 2024 (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



**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**

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.

Pursuant to the Scheme referred in Note 44, the options granted by the Demerged Company to the eligible employees that were transferred to the Company 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 Company has charged ₹ 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 Company are as under:

	As at March 31, 2025		As at March 31, 2024 (Restated)	
	Average Exercise price per share option (INR)	Number of Options	Average Exercise price per share option (INR)	Number of Options
Opening Balance	2.00	5,03,335	2.00	6,25,141
Granted during the year	2.00	2,94,741	2.00	2,91,337
Exercised during the year	2.00	(96,490)	2.00	(1,71,746)
Expired/cancelled during the year	2.00	(2,01,305)	2.00	(2,41,397)
<b>Closing Balance</b>		<b>5,00,281</b>		<b>5,03,335</b>
Vested and Exercisable		<b>52,660</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 (Restated)
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	14,382	30,162
July 22, 2020	July 31, 2030	2.00	24,955	47,254
July 21, 2021	July 31, 2030	2.00	26,770	45,548
January 18, 2022	January 18, 2032	2.00	2,634	19,324
July 19, 2022	July 31, 2032	2.00	38,166	81,991
July 26, 2023	July 31, 2033	2.00	1,43,292	2,54,546
August 20, 2024	August 19, 2033	2.00	1,62,094	-
January 16, 2025	January 25, 2034	2.00	69,433	-
<b>Total</b>			<b>5,00,281</b>	<b>5,03,335</b>

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

2.22

2.46



**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

I 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

I 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 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 March 31, 2025	Year ended March 31, 2024 (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
<b>Earnings per share (Face value of ₹ 2.00 each)</b>		
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 March 31, 2025	As at March 31, 2024 (Restated)
<b>Disputed liabilities</b>		
(a) Excise and Customs duty*	1.53	1.53
(b) Goods and Service tax*	10.82	-
	<b>12.35</b>	<b>1.53</b>

\* 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 to 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 regards 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.



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**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 MSME 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 March 31, 2025	As at March 31, 2024 (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 (Restated)	Variance	Note
<b>A. Performance Ratios</b>				
Net profit ratio (Profit after tax) / (Revenue from operations)	3.92%	3.24%	-9.88%	
Net capital turnover ratio (Revenue from operations) / (Closing working capital)	145.64%	171.13%	-14.89%	
Return on capital employed (Profit before interest and tax) / (Closing capital employed*)	6.87%	8.67%	-20.75%	
Return on equity ratio (Profit after tax) / (Average shareholder's equity)	2.69%	3.80%	-29.12%	(i)
Return on investment (Interest on loans given to subsidiary) / (Average outstanding Loans given to subsidiaries)	6.18%	5.77%	7.06%	
Debt service coverage ratio (Profit before interest, depreciation, amortisation and tax) / (Interest & Lease Payments + principal borrowing during the year)	122.18%	36.64%	233.45%	(ii)



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Notes to the Standalone Financial Statements for the year ended March 31, 2025  
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Particulars	March 31, 2025	March 31, 2024 (Restated)	Variance	Note
<b>B. Leverage Ratios</b>				
Debt-equity ratio (Total borrowings including lease liabilities / Total equity)	0.65	0.30	117.80%	(iii)
<b>C. Liquidity Ratios</b>				
Current ratio (Current assets) / (Current liabilities)	1.42	1.45	-2.42%	
<b>D. Activity Ratio</b>				
Inventory turnover ratio (Cost of goods sold) / (Average inventory)	9.32	10.04	-7.16%	
Trade receivables turnover ratio (Revenue from operations) / (Average trade receivables)	1.23	1.62	-23.97%	
Trade payables turnover ratio (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



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Notes to the Standalone Financial Statements for the year ended March 31, 2025  
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**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 March 31, 2025	As at March 31, 2024 (Restated)
Fixed rate borrowings	743.87	322.27
<b>Total borrowings</b>	<b>743.87</b>	<b>322.27</b>

**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	-	-	-
<b>Net Exposure to foreign currency risk (Assets)</b>			<b>330.04</b>
<b>Financial Liabilities</b>			
Trade payable	0.25	1.32	-
<b>Net Exposure to foreign currency risk (Liabilities)</b>	<b>0.25</b>	<b>1.32</b>	<b>-</b>

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

Particulars	AED	USD	GBP
<b>Financial Assets</b>			
Loan to Subsidiary	-	-	158.89
Trade Receivables from related party	-	-	9.53
<b>Derivative Assets</b>			
Foreign exchange forward contracts	-	-	(142.42)
<b>Net Exposure to foreign currency risk (Assets)</b>			<b>126.00</b>
<b>Financial Liabilities</b>			
Trade payable	0.25	1.24	-
<b>Net Exposure to foreign currency risk (Liabilities)</b>	<b>0.25</b>	<b>1.24</b>	<b>-</b>



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(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 investment 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 March 31, 2025	As at March 31, 2024 (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).



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The loss allowance as on March 31, 2025 (compared to the opening loss allowance) is as follows:

Particulars	Total
Loss allowance as at April 1, 2023	
Takenover pursuant to scheme of arrangement (refer note 44)	7.17
Add: Additions	
<b>Loss allowance as at March 31, 2024** (Restated)</b>	<b>7.17</b>
Add: Additions	
<b>Loss allowance as at March 31, 2025*</b>	<b>7.17</b>

\* 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	3.49	9.93	4.46	21.71
	-	<b>1,559.59</b>	<b>22.08</b>	<b>33.52</b>	<b>4.46</b>	<b>1,619.65</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.

**4) 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>1,723.31</b>	<b>1,420.07</b>
Gearing ratio	32.46%	20.34%

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



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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>1,596.39</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**

Sterilite 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 empanelled 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**

Sterilite Technologies UK Ventures Limited, UK  
 STL UK Holdco Limited, UK  
 Clearcomm Group Limited, UK

**(ii) Joint venture**

Sterilite Condispar Industrial Ltda (50:50 joint venture between Sterilite Technologies UK Ventures Limited and Condispar Condutores Elétricos 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  
 Sterilite 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 Cheriaan - 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)



**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) The transactions with related parties during the year and their outstanding balances are as follows:-

Sr. no	Particulars	Subsidiaries		Holding Companies		KMP		Fellow Subsidiaries		Total	
		March 31, 2025	March 31, 2024 (Restated)	March 31, 2025	March 31, 2024 (Restated)	March 31, 2025	March 31, 2024 (Restated)	March 31, 2025	March 31, 2024 (Restated)	March 31, 2025	March 31, 2024 (Restated)
<b>Transaction during the year</b>											
1	Remuneration	-	-	-	-	4.41	4.96	-	-	-	-
2	Loans and advances given	26.99	28.37	-	-	-	-	-	-	26.99	28.37
3	Interest charged on loans	17.80	13.51	-	-	-	-	-	-	17.80	13.51
4	Revenue from operations	2.59	3.60	-	-	-	-	5.42	8.61	5.42	8.61
5	Other operating income	-	-	-	-	-	-	-	-	2.59	3.60
6	Purchase of goods & services	-	-	16.30	13.38	-	-	-	-	16.30	13.38
7	Corporate allocation/expenses	-	-	17.49	27.32	-	-	-	-	17.49	27.32
<b>Outstanding Balances</b>											
		Subsidiaries		Holding Companies		KMP		Fellow Subsidiaries		Total	
Sr. no	Particulars	March 31, 2025	March 31, 2024 (Restated)	March 31, 2025	March 31, 2024 (Restated)	March 31, 2025	March 31, 2024 (Restated)	March 31, 2025	March 31, 2024 (Restated)	March 31, 2025	March 31, 2024 (Restated)
1	Investment	25.79	25.79	-	-	-	-	-	-	25.79	25.79
2	Loans/advance receivables	317.50	258.89	-	-	-	-	-	-	317.50	258.89
3	Trade receivables	12.54	9.53	-	-	-	-	2.80	0.94	15.34	10.47
4	Other receivable	-	-	-	-	-	-	-	-	-	-
5	Trade payables	-	-	1.29	22.10	-	-	-	-	1.29	22.10
6	Corporate guarantee given	116.20	110.46	-	-	-	-	25.05	62.91	26.34	85.01
										116.20	110.46

#Includes interest & expenses incurred and recoverable

(C) Disclosure in respect of material related party transaction during the year:-

Sr. no.	Particulars	Relationship	March 31, 2025	March 31, 2024 (Restated)
<b>1 Remuneration (refer note (D) below)</b>				
	Mr. Paikaj Malik	KMP	0.56	-
	Mr. Gopal Chandra Rastogi	KMP	0.96	0.75
	Mr. Praveen Chohan	KMP	2.87	3.52
	Mr. Paikaj Aggarwal	KMP	-	0.69
	Mr. Meenal Bansal	KMP	0.02	-
	<b>Total</b>		<b>4.41</b>	<b>4.96</b>
<b>2 Loans and advances given</b>				
	Shedite Technologies UK Ventures Limited	Subsidiary	-	19.88
	STL UK Holdco Limited, UK	Subsidiary	26.99	8.49
	<b>Total</b>		<b>26.99</b>	<b>28.37</b>
<b>3 Interest charged on loans</b>				
	Shedite Technologies UK Ventures Limited	Subsidiary	(4.97)	12.05
	STL UK Holdco Limited, UK	Subsidiary	2.83	1.46
	<b>Total</b>		<b>17.80</b>	<b>13.51</b>
<b>4 Revenue from operations</b>				
	Vedanta Limited	Fellow Subsidiary	0.24	-
	Talwandi Saba Power Limited	Fellow Subsidiary	0.71	-
	Hindustan 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 (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 (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 preceding 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 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 :

**Restated Balance Sheet as on March 31, 2024**

Particulars	Reported As on March 31, 2024*	Impact pursuant to scheme of arrangement	March 31, 2024 (Restated)
<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 March 31, 2024*	Impact pursuant to scheme of arrangement	For the year ended March 31, 2024 (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 (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.

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As per our report of even date

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



Sachin Parckh  
Partner  
Membership Number : 107038

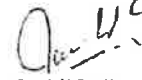
Place: Mumbai  
Date: June 30, 2025

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

