

INDEPENDENT AUDITOR'S REPORT

To the Members of Sterlite Convergence Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of Sterlite Convergence Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Other Information

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

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

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

The Board of Director's report is not made available to us as at the date of the auditor's report. We have nothing to report in this regard.



Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Director's are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to



continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. 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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2023;



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(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. a) The management has represented that, to the best of its knowledge and belief, 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, other than as disclosed in the note 32 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been 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. No dividend has been declared or paid during the year by the Company;
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003


per Mustafa Saleem
Partner

Membership Number: 136969

UDIN: 23136969BGXFJK9391

Place of Signature: Pune

Date: September 26, 2023



Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Sterlite Convergence Limited (the "Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the order is not applicable to the Company.
- (d) The Company has not revalued its Property, plant and equipment or Intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed on such physical verification.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has provided loans to parties as follows:
(Amount in Rs. millions)

	Loans
Aggregate amount granted/provided during the year	
- Other companies	430.00
Immediate holding company	
Balance outstanding as at the balance sheet date in respect of above cases -	430.00
- Other companies - Immediate holding company	



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- (b) The terms and conditions of the grant of all loans to companies are not prejudicial to the Company's interest. During the year, the Company has not made investments and has not provided guarantees or given security to companies.
- Further, during the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to firms, Limited Liability Partnerships or any other parties.
- (c) During the year the Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated.
- (d) There are no amounts of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than 90 days.
- (e) There were no loans granted to companies, firms, Limited Liability Partnerships or any other parties which have fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) During the year, the Company has not granted any loans either repayable on demand or without specifying any terms of period of repayment to any companies. Hence, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) Loans in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company. There are no investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The cost records specified by the Central Government under section 148(1) of the Companies Act, 2013 are not applicable for the financial year ended March 31, 2023. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, income-tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues of goods and services tax, income tax, cess, and other statutory dues which have not been deposited on account of any dispute.



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- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company has not does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on 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/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report under on clause 3(x) (b) of the order is not applicable to the Company.
- (xi) (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been



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disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

- (xiv) The Company does not have an internal audit system and is not required to have internal audit system under the provision of section 138 of the Companies Act, 2013. Therefore, the requirements to report under clause 3(xiv) (a) and (b) of the order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no core Investment Company as part of the group. Hence, the requirement to report on clause 3(xvi)(d) of the order is not the applicable to the company.
- (xvii) The Company has not incurred cash losses in the current year and had incurred cash losses amounting to Rs. 3.32 million in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 26 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



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(xx)

The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and (b) of the Order is not applicable to the Company.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Mustafa Saleem
Partner

Membership Number: 136969

UDIN: 23136969BGXFJK9391

Place of Signature: Pune

Date: September 26, 2023



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF STERLITE CONVERGENCE LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of Sterlite Convergence Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by 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 these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these 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 these 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.

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 with reference to these financial statements.



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Meaning of Internal Financial Controls with Reference to these Financial Statements

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

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Mustafa Saleem**

Partner

Membership Number: 136969

UDIN: 23136969BGXFJK9391

Place of Signature: Pune

Date: September 26, 2023



STERLITE CONVERGENCE LIMITED
BALANCE SHEET AS AT 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

	Notes	31 March 2023	31 March 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3	0.00*	0.01
Intangible assets	4	217.81	229.97
Financial assets			
i. Loans	5	430.00	-
ii. Other financial assets	6	11.64	11.10
Income tax assets (net)		5.48	2.46
		664.93	243.54
Current assets			
Inventories	7	2.14	2.60
Financial assets			
i. Cash and cash equivalents	8	15.86	9.35
ii. Other bank balances	9	72.66	-
iii. Trade receivables	10	16.56	53.03
iv. Other financial assets	6	0.01	0.02
Other current assets	11	10.45	10.49
		117.68	75.49
Total assets		782.61	319.03
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	0.50	0.50
Other equity	13		
i. Retained earnings		(69.65)	(60.21)
ii. Equity component of loan		28.07	28.07
Total equity		(41.08)	(31.64)
Non-current liabilities			
Financial Liabilities			
i. Borrowings	14	493.04	82.40
Contract liabilities		73.16	71.63
Other non current liabilities	16	115.10	117.92
		681.30	271.95
Current liabilities			
Financial liabilities			
i. Borrowings	14	55.14	-
ii. Trade payables	15		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		77.84	71.02
Other current liabilities	16	9.41	7.70
		142.39	78.72
Total liabilities		823.69	350.67
Total equity and liabilities		782.61	319.03

*Amount less than Rs. 0.01 million

Summary of significant accounting policies

2.2

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

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Mustafa Saleem
Partner
Membership Number: 136969
Place: Pune
Date: 26 September 2023



For and on behalf of the Board of Directors of
Sterlite Convergence Limited

Subroto Dhar
Director
DIN: 09022061
Place: Gurugram
Date: 26 September 2023

Nitish
Nitish Lath
Chief Financial Officer
PAN- AHJPL4426H
Place: Gurugram
Date: 26 September 2023

Surya Rajshekhar Deshraj
Director
DIN: 08920289
Place: Gurugram
Date: 26 September 2023

Ashok Ganesan
Company Secretary
PAN- AHYPK5104G
Place: Gurugram
Date: 26 September 2023

STERLITE CONVERGENCE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

	Notes	31 March 2023	31 March 2022
INCOME			
Revenue from contract with customers	17	34.68	33.05
Total income (I)		34.68	33.05
EXPENSES			
Other expenses	18	14.81	18.41
Total expenses (II)		14.81	18.41
Earning before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		19.87	14.64
Depreciation and amortisation expense	19	12.17	12.17
Finance costs	20	44.41	18.78
Finance income	21	(27.27)	(0.83)
Loss before tax		(9.44)	(15.48)
Tax expense:			
Current tax	31	-	-
Deferred tax	31	-	-
Income tax expenses		-	-
Loss for the year		(9.44)	(15.48)
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss		-	-
Other comprehensive income not to be reclassified to profit or loss		-	-
Total comprehensive income for the year, net of tax		(9.44)	(15.48)
Earnings per equity share			
Basic and diluted (Rs. per share) (Nominal value of Rs. 10 each (March 31, 2022: Rs. 10 each))	22	(188.82)	(309.70)

Summary of significant accounting policies

2.2

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

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Mustafa Saleem
Partner
Membership Number: 136969
Place: Pune
Date: 26 September 2023



For and on behalf of the Board of Directors of
Sterlite Convergence Limited

Subroto Dhar
Director
DIN: 09022061
Place: Gurugram
Date: 26 September 2023

Nitish Lath
Chief Financial Officer
PAN- AHJPL426H
Place: Gurugram
Date: 26 September 2023

Surya Rajshekhar Deshraj
Director
DIN: 08920289
Place: Gurugram
Date: 26 September 2023

Ashok Ganesan
Company Secretary
PAN- AHYPK5104G
Place: Gurugram
Date: 26 September 2023

STERLITE CONVERGENCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

Notes

31 March 2023

31 March 2022

A. Cash flow from operating activities

Net loss as per statement of profit and loss	(9.44)	(15.48)
Adjustment for taxation	-	-
Loss before tax	(9.44)	(15.48)
Adjustments to reconcile loss before tax to net cash flows		
- Depreciation and amortisation expense	12.17	12.17
- Finance income	(27.27)	(0.83)
- Finance costs	44.41	18.77
Operating Profit/(loss) before working capital changes	19.87	14.62
Movements in working capital:		
- Decrease/(increase) in other non current financial asset	-	(0.89)
- Decrease/(increase) in inventories	0.46	(0.39)
- Decrease in trade receivable	36.48	18.08
- Decrease/(increase) other current financial assets*	0.00	0.01
- Increase in other current assets	0.04	(0.07)
- Increase/(decrease) in non current liabilities	(1.28)	(15.25)
- Decrease in other current financial liabilities	-	(30.00)
- Increase in other current liabilities	1.71	0.15
- Increase in trade payables	6.78	6.80
Changes in working capital	44.18	(21.56)
Cash flows from/(used in) operations	64.05	(6.94)
Direct taxes paid	(3.03)	(0.14)
Net cash flows from/(used in) operating activities (A)	61.02	(7.08)

B. Cash flow from investing activities

Investment in deposits with bank with remaining maturity more than 3 months but less than 12 months (net)	(72.66)	-
Investment in deposits with banks with remaining maturity of more than 12 months (net)	(0.54)	-
Loan given to related party	(430.00)	-
Finance income	27.27	1.20
Cash flows from/(used in) investing activities (B)	(475.94)	1.20

C. Cash flow from financing activities

Proceeds from borrowings immediate holding company	-	41.70
Proceeds of short term borrowings from associate of immediate holding company	-	(24.00)
Proceeds from borrowings from related party	456.07	-
Finance cost paid	(34.64)	(3.20)
Net cash flows from financing activities (C)	421.43	14.51
Net increase in cash and cash equivalents (A + B + C)	6.51	8.62
Cash and cash equivalents as at beginning of the year	9.35	0.73
Cash and cash equivalents as at end of the year	15.86	9.35

* Amount less than Rs. 0.01 million



STERLITE CONVERGENCE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

Notes

31 March 2023

31 March 2022

Components of cash and cash equivalents:

Balance with banks:

On current accounts

15.86

9.35

Cash and cash equivalent (refer note 8)

15.86

9.35

Reconciliation between opening and closing balances for liabilities arising from financing activities:

Particulars	Long-term borrowings	Short-term borrowings
01 April 2021	44.16	24.00
Cash flow		
- Proceeds/(repayments)	41.70	(24.00)
Equity component recognised during the year	(11.55)	-
Interest accrued for the year	8.09	-
31 March 2022	82.40	-
Cash flow		
- Proceeds/(repayments)	456.07	-
Interest accrued for the year	9.71	-
31 March 2023	548.18	-

Summary of significant accounting policies

2.2

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

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

Firm Registration No. 324982E/E300003

per **Mustafa Saleem**

Partner

Membership Number: 136969

Place: Pune

Date: 26 September 2023



For and on behalf of the Board of Directors of Sterlite Convergence Limited

Subroto Dhar

Director

DIN: 09022061

Place: Gurugram

Date: 26 September 2023

Surya Rajshekhar Deshraj

Director

DIN: 08920289

Place: New Delhi

Date: 26 September 2023



Nitish Lath

Chief Financial Officer

PAN- AHJPL4426H

Place: Gurugram

Date: 26 September 2023

Ashok Ganesan

Company Secretary

PAN- AHYPK5104G

Place: Gurugram

Date: 26 September 2023

STERLITE CONVERGENCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023
(All amounts in Rs. million unless otherwise stated)

A. Equity share capital

Equity shares of Rs.10 each issued, subscribed and fully paid
As at 1 April 2021
Issued during the year
As at 31 March 2022
Issued during the year
As at 31 March 2023

Nos. in million	Rs. in million
0.05	0.50
-	-
0.05	0.50
-	-
0.05	0.50

B. Other equity

	Retained earnings	Equity component of loan	Total
Balance as at 01 April 2021	(44.73)	16.52	(28.21)
Loss for the year	(15.48)	-	(15.48)
Other comprehensive income	-	-	-
Total comprehensive income	(15.48)	-	(15.48)
Add: Equity component of loan	-	11.55	11.55
Balance as at 31 March 2022	(60.21)	28.07	(32.14)
Loss for the year	(9.44)	-	(9.44)
Other comprehensive income	-	-	-
Total comprehensive income	(9.44)	-	(9.44)
Balance as at 31 March 2023	(69.65)	28.07	(41.58)

There are no changes on account of prior period errors.

Summary of significant accounting policies

2.2

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

As per our report of even date

For SRBC & CO LLP
Chartered Accountants
Firm Registration No. 324982E/E300003

per Mustafa Saleem
Partner
Membership Number: 136969
Place: Pune
Date: 26 September 2023



For and on behalf of the Board of Directors of
Sterlite Convergence Limited

Shuboto Dhar
Director
DIN: 09022061
Place: Gurugram
Date: 26 September 2023

Surya Rajshekhar Deshraj
Director
DIN: 08920289
Place: Gurugram
Date: 26 September 2023

Nitish
Nitish Lath
Chief Financial Officer
PAN- AHJPL4426H
Place: Gurugram
Date: 26 September 2023

Ashok Ganesan
Company Secretary
PAN- AHYPK5104G
Place: Gurugram
Date: 26 September 2023

STERLITE CONVERGENCE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. Corporate information

Sterlite Convergence Limited ("the Company") is a subsidiary of Sterlite Power Transmission Limited ("SPTL"). The Company was incorporated under the provisions of the Companies Act, 2013 on 16 June 2017. The registered office of the Company is located DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20, Gurugram, Haryana -122008. The CIN of the company is U64100HR2017PLC102280.

The Company has been formed with a focus of operating in the telecom infrastructure industry.

The financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Company on September 26, 2023.

2. Significant Accounting Policies

2.1 Basis of preparation

The financial statements of the Company have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, (as amended from time to time), as notified under section 133 of the Companies act 2013 ('the act').

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

The financial statements are presented in Indian Rupees Million, except when otherwise indicated.

2.2 Summary of significant accounting policies

The following is the summary of significant accounting policies applied by the Company in preparing its financial statements:

a) Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has determined its operating cycle to be twelve months.



STERLITE CONVERGENCE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

b) Revenue from contracts with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

Revenue from contracts for development of network infrastructure

In case of revenue from contracts for development of network infrastructure, the performance obligation is satisfied progressively over the construction period. The Company's progress towards completion is measured based on the proportion that the contract expenses incurred to date bear to the estimated total contract expenses.

The estimates of contract cost and the revenue thereon are reviewed periodically by management and the cumulative effect of any changes in estimates is recognised in the period in which such changes are determined. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised immediately as an expense in the statement of profit and loss.

Rendering of maintenance services

The performance obligation is satisfied over the contract period as and when services are rendered. Revenue is recognised on a straight line over the contract period. Maintenance charges are billed to the customer on a monthly basis.

Contract balances

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Amounts which have been bills to the customers are disclosed as trade receivables and amounts which are to be billed to the customers (and not conditional on the group's future performance) are disclosed under Other financial assets. Refer accounting policies for financial assets in Financial instruments - initial recognition and subsequent measurement.

Contract Liabilities

Contract liabilities represent consideration received from customers in advance for providing the goods and services promised in the contract. The Company defers recognition of the consideration until the related performance obligation is satisfied. Contract liabilities include recurring services billed in advance and the non-recurring charges recognized over the contract/ service period. Contract liabilities have been disclosed as deferred revenue in the financial statements.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

c) Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.



STERLITE CONVERGENCE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of 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 deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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 tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 the same taxable entity and the same taxation authority.

Goods and service taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added taxes paid, except:

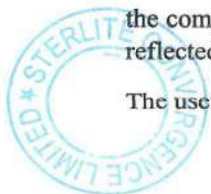
- When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs of network infrastructure for which the company has rights to use/monetize such in infrastructure, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.



STERLITE CONVERGENCE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Intangible assets with finite lives are amortised over the useful economic life 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. 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 and loss unless such expenditure forms part of carrying cost of another asset.

The company does not have any intangible asset with indefinite useful live.

Gains or losses arising from derecognition of 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.

e) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations. These budgets are prepared for the entire project life.

Impairment losses of continuing operations are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

f) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, 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.

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 a finance cost.



STERLITE CONVERGENCE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

g) Inventory

Inventories are valued at the lower of cost and net realisable value.

Traded goods - Lower of cost and net realisable value. Cost includes cost of purchase and all expenses incurred to bring the inventory to its present location and condition. Cost is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

h) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- i. Debt instruments at amortised cost
- ii. Debt instruments at fair value through other comprehensive income (FVTOCI)
- iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. The company does not have significant financial assets which are subsequently measured at amortised cost.

Debt instrument at fair value through OCI (FVTOCI)

A 'debt instrument' is classified as the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method. The Company does not have significant financial assets which are subsequently measured at FVTOCI.



STERLITE CONVERGENCE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

This category is generally applied to trade and other receivables, cash and short-term deposits.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's combined balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.



STERLITE CONVERGENCE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include borrowings and related costs and trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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.



STERLITE CONVERGENCE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

The following table shows various reclassification and how they are accounted for:

Original classification	Revised Classification	Accounting Treatment
Amortised Cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit or loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit or loss at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the combined 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.

i) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

j) Earnings per share

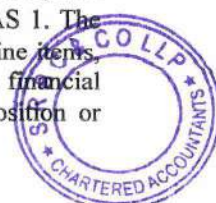
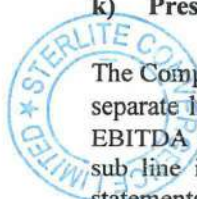
Basic earnings per share is calculated by dividing the net profit or loss attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

k) Presentation of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. This is not required by the Ind AS 1. The EBITDA is not defined in the Ind AS. Ind AS compliant schedule III allows companies to present line items, sub-line items and sub totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Company's financial position or performance.



STERLITE CONVERGENCE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Accordingly, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortisation expense, finance income, finance costs and tax expense.

2.3 New and Amended standards

Amendments to Standards effective 1 April 2022

Indian Accounting Standards rules have been amended via notification dated 23 March 2022. The amendments are applicable from 1 April 2022, but do not have any material impact on the standalone financial statements of the Company.

- Amendments to Ind AS 101 – First-time Adoption of Ind AS
- Amendments to Ind AS 103 - Business Combination
- Amendments to Ind AS 109 – Financial Instruments
- Amendments to Ind AS 16 – Property, Plant and Equipment
- Amendments to Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
- Amendments to Ind AS 41 - Agriculture

Amendments to Standards effective 1 April 2023

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') vide notification dated 31 March 2023 to amend the following Ind AS which are effective from 1 April 2023 which are not expected to have material impact on the financial statement of the company.

- **Ind AS 1 – Presentation of Financial Statements**
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.
- **Ind AS 12 – Income Taxes**
The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.
- **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**
The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty



Note 3: Property, plant and equipment

Description	Office equipment
Cost	
As at 1 April 2021	-
Additions	0.02
Disposals	-
As at 31 March 2022	0.02
Additions	-
Disposals	-
As at 31 March 2023	0.02
Depreciation	
As at 1 April 2021	-
Charge for the year	0.01
Disposals	-
As at 31 March 2022	0.01
Charge for the year	0.01
Disposals	-
As at 31 March 2023	0.02
Net book value	
As at 31 March 2022	0.01
As at 31 March 2023	0.00*

*Amount less than Rs. 0.01 million

Note 4: Intangible assets

Description	Right of way
Cost	
As at 1 April 2021	255.43
Additions	-
Disposals	-
As at 31 March 2022	255.43
Additions	-
Disposals	-
As at 31 March 2023	255.43
Amortisation	
As at 1 April 2021	13.30
Charge for the year	12.16
Disposals	-
As at 31 March 2022	25.46
Charge for the year	12.16
Disposals	-
As at 31 March 2023	37.62
Net book value	
As at 31 March 2022	229.97
As at 31 March 2023	217.81

The Company has undertaken a project awarded by Gurugram Metropolitan Development Authority ("GMDA") to a consortium of which the Company is a party which involves laying of four ducts for creation of Optical Fibre cable backbone network for Gurugram smart city as per the designs approved by GMDA. The entire infrastructure shall be in the ownership of GMDA. Out of the four ducts, the Company will be given right of use of two ducts for monetizing its investments. One duct along with Optical Fibre Cable shall be used solely by GMDA and one duct will be spare and will be in the custody of GMDA, revenue earned out of the said duct shall be shared between GMDA and the consortium. The Company shall also undertake maintenance of the above network infrastructure for a period of 21 years on its own cost.

The consideration for the development of infrastructure for GMDA's use and for the maintenance of the same for 21 years will be in the form of Right of Way ('ROW') for the above project given by GMDA and no cash consideration will be received from GMDA. For the two ducts for which the rights of use/monetisation will be with the Company, there will be no restrictions from GMDA on the customers or the pricing to be charged by the Company. The Company has valued the consideration in the form of ROW at fair value which is included in intangible asset and the intangible assets under development.

The Company has also recognised contract liability at present value of future cash flows for its performance obligations related to maintenance of the ducts over the period of 21 years.



Note 5: Loans (unsecured, considered good)

	31 March 2023	31 March 2022
Loan to the immediate holding company* (refer note 29)	430.00	-
Total	430.00	-

*During the current year, the Company has given unsecured loan to Sterlite Power Transmission Limited amounting to Rs. 430.00 million (March 31, 2022: Nil) carrying interest at the rate of 10% p.a. and is repayable at the end of 3 years.

Compliance to the provisions of Section 186 of the Companies Act, 2013

Based on the legal opinion obtained by the management, the Company is engaged in construction of power transmission lines and manufacturing of power products and solutions hence it is considered as infrastructure company as per Schedule VI of the Companies Act, 2013 for the purpose of compliance with the section 186 of the Companies Act 2013. Accordingly, the provisions of section 186 (2) to section 186 (11) are not applicable to the Company.

Break-up of loans and advances in the nature of loans as at year end:

Type of borrower	March 31, 2023		March 31, 2022	
	Amount of loans and advances in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans	Amount of loans and advances in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoter	430.00	100.00%	-	-
Directors	-	-	-	-
KMP's	-	-	-	-
Related parties	-	-	-	-
	430.00	100.00%	-	-

Note 6: Other financial assets

	31 March 2023	31 March 2022
Non-current		
Security deposits (unsecured, considered good)	0.09	0.09
Other bank balances*	11.55	11.01
Total	11.64	11.10
Current		
Interest accrued on fixed deposits	0.01	0.02
Total	0.01	0.02

*held as lien with Gurgaon Metropolitan Development Authority.

Security deposits are non-derivative financial assets and are refundable in cash.

Note 7: Inventories (Valued at lower of cost and net realisable value)

	31 March 2023	31 March 2022
Stores and spares (at cost)	2.14	2.60
Total	2.14	2.60

Note 8: Cash and cash equivalents

	31 March 2023	31 March 2022
Balance with banks in current account	0.36	1.85
Deposit with original maturity of less than 3 months	15.50	7.50
Total	15.86	9.35

Note 9: Other bank balances

	31 March 2023	31 March 2022
Deposit with banks with remaining maturity of more than 3 months but less than 12 months	72.66	-
Total	72.66	-



Note 10: Trade receivables

	31 March 2023	31 March 2022
Receivables from related party (refer note 29)	16.56	53.03
Total	16.56	53.03
Break-up of security details:		
- Unsecured, considered good	16.56	53.03
- Unsecured, credit impaired receivables	-	-
Total	16.56	53.03

Ageing of current trade receivables

Particulars	Outstanding for following periods from due date of payment						Total
	Amount not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023							
Undisputed Trade receivables – considered good	6.75	9.81	-	-	-	-	16.56
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	6.75	9.81	-	-	-	-	16.56
As at 31 March 2022							
Undisputed Trade receivables – considered good	0.41	15.85	18.45	18.32	-	-	53.03
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	0.41	15.85	18.45	18.32	-	-	53.03

No trade receivables are due from directors or other officers of the Company whether severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of between 30 - 60 days.

Note 11: Other assets

Current		
Balance with government authorities	9.23	9.46
Prepaid expenses	0.13	0.01
Unbilled revenue	1.04	1.02
Others	0.05	-
Total	10.45	10.49



Note 12: Equity share capital

	31 March 2023	31 March 2022
Authorised equity shares		
0.05 Million (31 March 2022: 0.05 million) equity shares of Rs.10 each	0.50	0.50
Issued, subscribed and fully paid-up equity shares		
0.05 Million (31 March 2022: 0.05 million) equity shares of Rs.10 each fully paid-up	0.50	0.50
Total issued, subscribed and fully paid-up equity share capital	0.50	0.50

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

	31 March 2023		31 March 2022	
	No. in million	Rs. in million	No. in million	Rs. in million
At the beginning of the year	0.05	0.50	0.05	0.50
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	0.05	0.50	0.05	0.50

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding/ ultimate holding company and/or their subsidiaries/associates

	31 March 2023		31 March 2022	
	No. in million	% holding	No. in million	% holding
Sterlite Power Transmission Limited (immediate holding company) *	0.05	100.00%	0.05	100.00%
	0.05	100.00%	0.05	100.00%

d. Details of shareholders holding more than 5% of shares in the company

	31 March 2023		31 March 2022	
	No. in million	% holding	No. in million	% holding
Sterlite Power Transmission Limited (immediate holding company) *	0.05	100.00%	0.05	100.00%
	0.05	100.00%	0.05	100.00%

e. Detail of shareholding of promoters

Promoter name	31 March 2023			31 March 2022		
	No. in million	% holding	% change during the period	No. in million	% holding	% change during the period
Sterlite Power Transmission Limited (immediate holding company) *	0.05	100.00%	-	0.05	100.00%	-
Total	0.05	100.00%	-	0.05	100.00%	-

* Out of total 50,000 equity shares, 6 equity shares (31 March 2022: 6 shares) are held by nominee shareholders.

Note 13: Other equity

	31 March 2023	31 March 2022
Retained earnings		
Opening balance	(60.21)	(44.73)
Add: Loss for the year	(9.44)	(15.48)
Closing balance	(69.65)	(60.21)
Equity component of loan		
Opening balance	28.07	16.52
Add: Additions during the year	-	11.55
Closing balance	28.07	28.07

Note 14: Borrowings

	Non-current		Current	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Loan from the immediate holding company (refer note a below) (unsecured) (refer note 29)	36.97	82.40	55.14	-
Loan from related party (secured) (refer note b below) (refer note 29)	456.07	-	-	-
Total	493.04	82.40	55.14	-

Note a: The unsecured loan from immediate holding company carries Nil (31 March 2022: Nil) rate of interest and is repayable after 3 years from the date of disbursement. Since the interest rate of the loan is below market interest rate, Rs. 28.07 million (31 March 2022: Rs 28.07 million) has been considered as equity component of loan and shown under other equity.

Note b: During the current year, the Company has taken a secured loan from Maharashtra Transmission Communication Infrastructure Limited (Lender) amounting to Rs. 500 million (March 31, 2022: Nil) carrying interest at the rate of 8.61% p.a. and is repayable at end of 3 years. The loan is secured against a) a first and exclusive charge over Right To Monetise; and b) a first and exclusive charge by way of pledge over 100% equity share capital of the Borrower in favor of the Lender.



Note 15: Trade payables

	31 March 2023	31 March 2022
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	77.84	71.02
Total	77.84	71.02
Other details		
- Trade payable to related parties (refer note 29)	72.50	68.71
- Others	5.34	2.31
Total	77.84	71.02

Ageing of trade payables

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
31 March 2023							
MSME	-	-	-	-	-	-	-
Others	4.12	0.00*	5.04	15.47	53.21	-	77.84
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	4.12	-	5.04	15.47	53.21	-	77.84
31 March 2022							
MSME	-	-	-	-	-	-	-
Others	0.99	0.51	8.81	60.71	-	-	71.02
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	0.99	0.51	8.81	60.71	-	-	71.02

Trade payables are non-interest bearing and are normally settled between 30-90 days terms

For explanation on the Company's risk management policies, refer note 27

*Amount less than Rs. 0.01 million

Note 16: Other liabilities

	31 March 2023	31 March 2022
Non-current		
Deferred revenue	115.10	117.92
Total	115.10	117.92
Current		
TDS payable	0.49	0.08
GST payable	1.30	0.33
Deferred revenue	7.62	7.29
Total	9.41	7.70



Note 17: Revenue from contract with customers

	31 March 2023	31 March 2022
Revenue from operations & maintenance contracts	15.24	17.79
Revenue from IRU contracts	7.37	7.34
Revenue share from GMDA	7.07	7.92
Total revenue from contract with customer	29.68	33.05
Other operating revenue		
Business development fees (refer note 29)	5.00	-
Total revenue from operations	34.68	33.05

17.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Type of goods or service	31 March 2023	31 March 2022
India	29.68	33.05
Outside India	-	-
Total revenue from contracts with customers	29.68	33.05
Timing of revenue recognition		
Revenue recognised at a point in time	-	-
Revenue recognised over time	29.68	33.05
Total revenue from contracts with customers	29.68	33.05

17.2 Contract balances

	31 March 2023	31 March 2022
Contract assets	17.60	54.06
Contract liabilities	195.88	196.84

The company provides fibre capacity drawn from its OPGW network to retail, wholesale and enterprise/corporate customers on indefeasible right of use or annual rate contracts basis. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its obligation under the contract.

17.3 Performance obligation

The performance obligation is satisfied over the contract period as the services are rendered. Revenue is recognised on a straight line over the contract period.

Operation & maintenance revenue is recognized based on satisfaction of the terms & conditions as mentioned in the agreement.

The Company is undertaking a project awarded by Gurugram Metropolitan Development Authority ("GMDA") to a consortium of which the Company is a party which involves laying of four ducts for creation of Optical Fibre cable backbone network for Gurugram smart city as per the designs approved by GMDA ('Network Infrastructure'). Network Infrastructure shall be in the ownership of GMDA; Out of the four ducts, the Company will be given right of use of two ducts for monetizing its investments. One duct along with Optical Fibre Cable shall be used solely by GMDA and one duct will be spare and will be in the custody of GMDA, revenue earned out of the said duct shall be shared between GMDA and the consortium. The Company shall also undertake maintenance of the above Network Infrastructure for a period of 21 years on its own cost.

The consideration for the development of Network Infrastructure for GMDA's use and for the maintenance of the same for 21 years will be in the form of Right of Way ('ROW') for the above project given by GMDA and no cash consideration will be received from GMDA. For the two ducts for which the rights of use/monetisation will be with the Company, there will be no restrictions from GMDA on the customers or the pricing to be charged by the Company. The Company has valued the consideration in the form of ROW at fair value. The performance obligations consist of development of infrastructure for GMDA (other than two ducts for which monetisation rights are with the Company) and maintenance of the same for 21 years. These performance obligations are considered to be satisfied over time.

Accordingly, the Company's performance obligation with respect to construction of Network Infrastructure is satisfied progressively over the construction period. The Company's progress towards completion is measured based on the proportion that the contract costs incurred to date bear to the estimated total contract costs.

Also, the consortium of the Company and Sterlite Interlinks Limited ('SIL') have been given right of use of two ducts for monetizing its investments in Network Infrastructure. SIL, being IP-1 licence holder, has entered into agreement with Telecom Service Providers ('TSPs') for right of use Infrastructure Network. As per the arrangement between the parties, SIL will raise invoices on TSPs and will pay 94.90% of the amount received/ invoiced to the Company.

Revenue recognised in relation to contract liabilities

	31 March 2023	31 March 2022
Amount included in contract liabilities at the beginning of the year	7.29	7.29
Transaction price allocated to the remaining performance obligations		
- Within one year	7.62	7.29
- More than one year	115.10	117.92



Note 18: Other expenses

	31 March 2023	31 March 2022
Network maintenance charges	4.21	14.90
Management fees (refer note 29)	4.25	-
Professional fees	0.24	0.03
Payment to auditors		
- Statutory audit fees	0.43	0.43
Rates and taxes	4.04	1.91
Outsourced manpower	1.49	1.11
Miscellaneous expenses	0.15	0.02
Total	14.81	18.41

Corporate social responsibility expenses

Section 135 of the Companies Act, 2013 is not applicable on the Company and hence, the Company is not required to contribute towards Corporate Social Responsibility activities.

Note 19: Depreciation and amortisation expense

	31 March 2023	31 March 2022
Depreciation of plant, property and equipment	0.01	0.01
Amortisation of intangible asset	12.16	12.16
Total	12.17	12.17

Note 20: Finance costs

	31 March 2023	31 March 2022
Interest expenses on contract liability	8.59	10.03
Interest on financial liability valued at amortized cost (refer note 29)	35.75	8.75
Bank charges	0.07	-
Total	44.41	18.78

Note 21: Finance income

	31 March 2023	31 March 2022
Interest income on fixed deposits	3.09	0.81
Interest income on income tax refund	0.03	0.02
Interest income on loans to related parties (refer note 29)	24.15	-
Total	27.27	0.83

Note 22: Earnings per share (EPS)

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

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity holders by the weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit/(loss) and share data used in the basic and diluted EPS computation

	31 March 2023	31 March 2022
Profit/(loss) after tax for calculating basic and diluted EPS	(9.44)	(15.48)
Weighted average number of equity shares in calculating basic and diluted EPS (No. million)	0.05	0.05
Earnings per share		
Basic and Diluted (on nominal value of Rs. 10 per share) Rs./share	(188.82)	(309.70)



Note 23: Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Company is undertaking a project awarded by Gurugram Metropolitan Development Authority ("GMDA") to a consortium of which the Company is a party which involves laying of four ducts for creation of Optical Fibre cable backbone network for Gurugram smart city as per the designs approved by GMDA ('Network Infrastructure'). Network Infrastructure shall be in the ownership of GMDA; Out of the four ducts, the Company will be given right of use of two ducts for monetizing its investments. One duct along with Optical Fibre Cable shall be used solely by GMDA and one duct will be spare and will be in the custody of GMDA, revenue earned out of the said duct shall be shared between GMDA and the consortium. The Company shall also undertake maintenance of the above Network Infrastructure for a period of 21 years on its own cost.

The consideration for the development of Network Infrastructure for GMDA's use and for the maintenance of the same for 21 years will be in the form of Right of Way ('ROW') for the above project given by GMDA and no cash consideration will be received from GMDA. For the two ducts for which the rights of use/monetisation will be with the Company, there will be no restrictions from GMDA on the customers or the pricing to be charged by the Company. The Company has valued the consideration in the form of ROW at fair value. The performance obligations consist of development of infrastructure for GMDA (other than two ducts for which monetisation rights are with the Company) and maintenance of the same for 21 years. These performance obligations are considered to be satisfied over time.

In respect of the contract with GMDA, the management has determined that the promises for development of infrastructure for GMDA (other than two ducts for which monetisation rights are with the Company) and for maintenance of the same for 21 years are distinct within the context of the contract. Hence these have been considered as separate performance obligations. Further, these performance obligations are considered to be satisfied over time based on the requirements of Ind AS 115.

Impairment of Intangible assets

As explained above, the consideration for the development of Network Infrastructure for GMDA's use and for the maintenance of the same for 21 years will be in the form of Right of Way ('ROW') for the above project given by GMDA and no cash consideration will be received from GMDA. For the two ducts for which the rights of use/monetisation will be with the Company, there will be no restrictions from GMDA on the customers or the pricing to be charged by the Company. Therefore, the Company has exercised significant judgement and valued the consideration in the form of ROW at fair value.

Further, the value in use of ROW is highly sensitive to changes in critical variable used for forecasting the future cash flows from the contracts with customer, increase in maintenance cost and rates of margins. The Company has exercised significant judgement and evaluated that there are no indicators of impairment in case of it's ROW.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Revenue from contracts with customers

Under the contract with GMDA, the consideration for the development of infrastructure for GMDA's use and for the maintenance of the same for 21 years will be in the form of Right of Way ('ROW') given by GMDA and no cash consideration will be received from GMDA. The Company has valued the consideration in the form of ROW at fair value. The key assumptions used for determining the fair value of ROW includes applicable ROW rates, discount rate and cost inflation rate.

Further, a portion of the total consideration as above has been allocated to maintenance services based on the expected margins from such services.

Impairment of non financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. For the purpose of assessment for impairment, the management has compared the carrying value of an asset or cash generating unit with the value in use. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and other assumptions.

Note 24: Capital and other commitments

As at 31 March 2023, the Company has commitments of Rs. Nil (31 March 2022: Rs. Nil).

Note 25: Segment information

The principal commercial activity of the Company would be making available fibre capacity on lease rental to retail, wholesale and enterprise/corporate customers, drawn from Optical Power Ground Wire (OPGW) network. On review of all the relevant aspects including, in particular, the system of internal financial reporting to the Board of Directors which is the Chief Operating Decision Maker ('CODM') and considering the economic characteristics of the Company's operations, the Company is of the view that it operates in a single primary segment. The said treatment is in accordance with the guiding principles enacted in Indian Accounting Standard 108 Operating Segment (Ind AS 108).



STERLITE CONVERGENCE LIMITED
Notes to financial statements for the year ended 31 March 2023
(All amounts in Rs. million unless otherwise stated)

Note 24: Ratio analysis and its elements

Ratio	Numerator	Denominator	31 March 2023	31 March 2022	% change	Reason for variance above (+/-) 25%
Current ratio	Current assets	Current liabilities	0.83	0.96	-13.81%	Not applicable
Debt-Equity ratio	Total debt = Short-term borrowings + Long-term borrowings	Shareholder's equity - Share capital + Equity component of loan + Retained earnings	(13.35)	(2.60)	412.49%	The increase in ratio is because of additional loan taken during the year.
Debt service coverage ratio	Earnings for debt service = Profit/(loss) after tax + Depreciation and amortisation expense + Finance costs Finance income	Debt service = Interest payments + Principal payments of long-term borrowings + Net repayment/(proceeds) of short-term borrowings	0.57	(1.01)	-156.84%	The change in ratio is due to increase in revenue and decrease of losses in current year.
Return on equity ratio	Profit/(loss) after tax	Average shareholder's equity = (Opening shareholder's equity + Closing shareholder's equity)/2	0.26	0.52	-50.24%	The change in ratio is due to reduction of shareholders equity due to loss during the year.
Inventory turnover ratio	Cost of goods sold = Network maintenance charges	Average inventories = (Opening inventories + Closing inventories)/2	-	-	-	Not Applicable
Trade receivable turnover ratio	Net credit sales = Revenue from operations	Average trade receivables = (Opening trade receivables + Closing trade receivables)/2	0.97	0.53	83.32%	Change in ratio is due to reduction in trade receivables as compared to previous year.
Trade payable turnover ratio	Net credit purchases = Network maintenance charges	Average trade payables = (Opening trade payables + Closing trade payables)/2	0.06	0.22	-74.35%	The decrease in trade payable turnover ratio is majorly on account of increase in balance of trade payable.
Net capital turnover ratio	Net sales = Revenue from operations	Working capital = Current assets - Current liabilities	(1.40)	(10.22)	-86.26%	The change in ratio is due to increase in revenue from operations and improvement of working capital due to decrease of current liabilities.
Net profit ratio	Net profit = Profit/(loss) after tax	Net sales = Revenue from operations	(0.27)	(0.47)	-41.90%	The increase in ratio is due to increase in revenue from operations and reduction of other expenses in current year.
Return on capital employed	Earnings before interest and taxes = Earning before interest, tax, depreciation and amortisation - Depreciation and amortisation expense	Capital employed = Shareholder's equity + Total debt - Intangible assets (including under development)	0.03	(0.01)	-292.97%	The change in ratio is due to increase in revenue from operations and increase in total debts.
Return on investment	Return = Interest income on bank deposits	Investment = Deposits with banks	0.11	0.04	161.15%	The increase in ratio is due to increase in investment of funds in bank deposits.



Note 27: Financial risk management objectives and policies

The Company's principal financial liabilities comprise of borrowings and trade payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade receivables, bank balances and other financial assets.

The Company could be exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The management reviews and agrees policies for managing each of these risks, which are summarised below.

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 reviewed regularly to reflect changes in market conditions and the Company's activities.

(A) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), balances with banks.

Trade receivables

Customer credit risk is managed through established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 10. The Company does not hold collateral as security.

Balances with banks

Credit risk from balances with banks 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's Board of Directors 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.

(B) Liquidity risk

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

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 30 to 90 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	Payable on demand	Less than 1 year	1 to 5 years	More than 5 years	Total
As at 31 March 2023					
Borrowings	-	55.14	493.04	-	548.18
Trade payable	-	77.84	-	-	77.84
	-	132.98	493.04	-	626.02
As at 31 March 2022					
Borrowings	-	-	82.40	-	82.40
Trade payable	-	71.02	-	-	71.02
	-	71.02	82.40	-	153.42

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial statement will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings and bank deposits. As at 31 March 2023 and 31 March 2022, the company did not have any financial instrument subject to market risk.



STERLITE CONVERGENCE LIMITED

Notes to financial statements for the year ended 31 March 2023

(All amounts in Rs. million unless otherwise stated)

Note 28: Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. 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, interest bearing loans and borrowings, trade payables, other current liabilities less cash and cash equivalents and other bank balances.

Particulars	31 March 2023	31 March 2022
Borrowings	548.18	82.40
Trade payables	77.84	71.02
Other current liabilities	9.41	7.70
Less: Cash and cash equivalents and other bank balances	(88.53)	(9.35)
Net debt (A)	546.91	151.78
Equity share capital	0.50	0.50
Other equity	(41.58)	(32.15)
Total capital (B)	(41.08)	(31.65)
Capital and net debt (C)=(A+B)	505.83	120.13
Gearing ratio (A/C)	1.08	1.26

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

Note 29: Related party disclosures**(A) Name of related party and nature of its relationship:-****Related parties where control exists****a. Holding companies**

Volcan Investments Limited, Bahamas

Ultimate holding company

Twin Star Overseas Limited, Mauritius

Intermediate holding company

Sterlite Power Transmission Limited (SPTL)

Immediate Holding company

b. Other related parties

Sterlite Interlinks Limited (SIL)

Fellow subsidiary

Maharashtra Transmission Communication Infrastructure Limited (MTCIL)

Fellow subsidiary

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

Particulars	31 March 2023			31 March 2022		
	SPTL	SIL	MTCIL	SPTL	SIL	MTCIL
Transactions during the year						
Borrowings availed	-	-	500.00	41.70	-	-
Purchase of goods (net of goods and service tax)	-	-	-	6.87	-	-
Security deposits repaid	-	-	-	-	30.00	-
Borrowing repaid	-	-	-	-	24.00	-
Interest expense on borrowing	-	-	26.07	-	-	-
Prepaid interest paid on borrowing	-	-	70.00	-	-	-
Business development fees	-	5.00	-	-	-	-
Sale of services	-	22.61	-	-	25.13	-
Management fee expense	4.25	-	-	-	-	-
Loan given	430.00	-	-	-	-	-
Interest on loan given	24.15	-	-	-	-	-
Closing balances						
Borrowings	100.00	-	456.07	99.98	-	-
Trade payable	72.50	-	-	68.71	-	-
Trade receivables (including unbilled)	-	17.60	-	-	53.03	-
Loan given	430.00	-	-	-	-	-

Note 30: Details of dues to micro, small and medium enterprises as per MSMED Act, 2006

As at March 31, 2023, no supplier has intimated the company about its status as micro or small enterprises, or its registration, with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, the amount due to such suppliers has not been identified.



Note 31: Deferred tax

The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:

	31 March 2023	31 March 2022
- Current tax	-	-
- Deferred tax	-	-
Income tax expenses reported in the statement of profit and loss	-	-

Deferred tax :

	31 March 2023	31 March 2022
Deferred tax liability		
Property, plant and equipment : Impact of difference between tax depreciation and depreciation for the financial reporting	23.49	19.73
Gross deferred tax liability	23.49	19.73
Deferred tax asset		
Deferred tax asset on carried forward losses and unabsorbed depreciation	23.49	19.73
Gross deferred tax asset	23.49	19.73
Net deferred tax liability/asset	-	-

Deferred tax assets has been recognized to the extent of deferred tax liability and on the basis of probable profits in the near future against which such deferred tax assets could be utilised.

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:

	31 March 2023	31 March 2022
Accounting profit/(loss) before income tax	(9.44)	(15.48)
At India's statutory income tax rate of 25.17% (31 March 2022: 25.17%)	(2.38)	(3.90)
Others	2.38	3.90
At the effective income tax rate of Nil (31 March 2022: Nil)	-	-
Income tax expense reported in the statement of profit and loss	-	-

Note 32 : Additional disclosures required by Schedule III (Division II) of the act, as amended

Ministry of Corporate Affairs ("MCA") through a notification dated March 24, 2021, amended Division II of Schedule III of the Companies Act, 2013. These amendments are applicable for the reporting period beginning on or after April 1, 2021. Pursuant to these amendments, the Company has given the significant additional disclosures, as applicable, in these financial statements for all the years presented.

The Company has taken loan from Maharashtra Transmission Communication Infrastructure Limited which has been utilised to grant further loan to Sterlite Power Transmission Limited. Please refer note 5 for the terms of the loans given. Details of loan taken by the company are as follows.

S. No.	Name of funding party	Relation with the company	Registered address	Amount (Rs. in million)	Nature of transaction	Date
1	Maharashtra Transmission Communication Infrastructure Limited (CIN:U64201MH2012PLC234316)	Fellow subsidiary	Prakashganga Plot No C 19 Eblock Bandra Kurla Complex Bandra (East) Mumbai MH 400051 IN.	430.00	Loan taken	8/23/2022

Sterlite Convergence Limited has further advanced this amount to Sterlite Power Transmission Limited (Ultimate beneficiary), the details of which are as follows:-

S. No.	Name of ultimate beneficiary	Relation with the company	Registered address	Amount (Rs. in million)	Nature of transaction	Date
1	Sterlite Power Transmission Limited (CIN: U74120PN2015PLC156643)	Immediate holding company	4th Floor, Godrej Millennium, 9 Koregaon Road, Pune-411001	430.00	Loan given	9/8/2022

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) other than disclosed above with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and the Companies Act for the above transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).



Note 33: Other statutory information

- (i) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
(ii) The Company does not have any transactions with companies struck off.
(iii) The Company does not have any charges or satisfaction which is yet to be registered with registrar of companies beyond the statutory period.
(iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
(vi) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
(vii) The Company is not declared as a wilful defaulter by any bank or financial institution or other lender.

As per our report of even date

For SRBC & Co LLP
Chartered Accountants
Firm Registration No. 324982E/E300003



For Mustafa Saleem
Partner
Membership Number: 136969
Place: Pune
Date: 26 September 2023



For and on behalf of the Board of Directors of
Sterlite Convergence Limited



Subrato Bhar
Director
DIN: 09022061
Place: Gurugram
Date: 26 September 2023



Nitish Lath
Chief Financial Officer
PAN- AHJPL4426H
Place: Gurugram
Date: 26 September 2023



Surya Rajshekhar Deshraj
Director
DIN: 08920289
Place: Gurugram
Date: 26 September 2023



Ashok Ganesan
Company Secretary
PAN- AHYPK5104G
Place: Gurugram
Date: 26 September 2023