

### **INDEPENDENT AUDITOR'S REPORT**

To the Members of Sterlite Interlinks Limited

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

##### **Opinion**

We have audited the accompanying financial statements of Sterlite Interlinks Limited ("the Company"), which comprise the Balance sheet as at 31 March 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 Director's report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

The Director's report was not made available to us as at the date of 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 Directors 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 based on our audit, 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;
  - (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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the 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, no funds have been received by the Company from any persons or entities, 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 **G S K A & Co.**  
Chartered Accountants  
ICAI Firm Registration Number: 147093W

  
per Ganesh Gaikwad

Partner

Membership Number: 136512  
UDIN: 23136512BGWIUH8607



Place of Signature: Pune  
Date: 04 July 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 Interlinks 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) There are no Property, Plant and Equipment's in the Company, hence requirement to report under clause 3 (i) (a) (A) of the Order is not applicable to the Company.
- (a)(B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3 (i) (a) (B) of the Order is not applicable to the Company.
- (b) There are no Property, Plant and Equipment's in the Company, hence the requirement to report on clause 3(i)(b) of the Order is not applicable to the company.
- (c) There are no Property, Plant and Equipment's in the Company, hence the requirement to report on clause 3(i)(c) of the Order is not applicable to the company.
- (d) There are no Property, Plant and Equipment's and Intangibles in the Company, hence the requirement to report on clause 3(i)(d) of the Order is not applicable to the company
- (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 inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- (ii) (b) The company has not been sanctioned working capital limit in excess of five crore rupees in aggregate from banks/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 2 (ii) (b) of the Order is not applicable to the Company.

- (iii) (a) During the year, the company has provided loan to fellow subsidiary as under:

Aggregate amount granted/provided during the year	INR 135 million
Balance outstanding as at Balance sheet date in respect of above cases	Nil

The company has not provided any advances in the nature of loans, guarantee and security to any other entity during the year.

- (iii) (b) The investments made, guarantee provided, security given and the terms and conditions of grant of all loans and advances in the nature of loans and guarantees provided are, in our opinion, prima-facie, not prejudicial to the company's interest.



- (iii) (c) The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (iii) (d) There are no amounts of loans granted to companies which are overdue for more than ninety days.
- (iii) (e) There were no loans or advance in the nature of loan granted to companies which was 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.
- (iii) (f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (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 Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, 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, provident fund, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.
- (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.
- (ix)(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix)(c) Term loans were applied for the purpose for which the loans were obtained.
- (ix)(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.



- (ix)(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (ix)(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (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.
- (x)(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 on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi)(a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (xi)(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.
- (xi)(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 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv)(a) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) and clause 3(xiv)(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.
- (xvi)(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.
- (xvi)(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.



**G S K A & Co.**  
Chartered Accountants

- (xvi)(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses in the current year amounting to Rs. 1.39 million. The Company has not incurred cash losses 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 27 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.
- (xx)(a) 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 clause 3(xx)(b) of the Order is not applicable to the Company.

For G S K A & Co.  
Chartered Accountants  
ICAI Firm Registration Number: 147093W

  
per Ganesh Gaikwad  
Partner

Membership Number: 136512  
UDIN: 23136512BGWIUH8607



Place of Signature: Pune  
Date: 04 July 2023

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS  
OF STERLITE INTERLINKS 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 over financial reporting of Sterlite Interlinks 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. 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 over financial reporting 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 internal financial controls system over financial reporting with reference to these financial statements.



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### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Over Financial Reporting with Reference to these Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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, an adequate internal financial controls system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G S K A & Co.  
Chartered Accountants  
ICAI Firm Registration Number: 147093W

  
per Ganesh Gaikwad  
Partner  
Membership Number: 136512  
UDIN: 23136512BGWIUH8607



Place of Signature: Pune  
Date: 04 July 2023

STERLITE INTERLINKS LIMITED  
BALANCE SHEET AS AT 31 MARCH 2023  
(All amounts in rupees million unless otherwise stated)

	Notes	31 March 2023	31 March 2022
<b>ASSETS</b>			
Non-current assets			
Financial assets			
i. Other financial assets	5	0.01	0.01
Income tax assets (net)		40.26	35.19
Other non-current assets	6	115.11	117.92
		<u>155.38</u>	<u>153.12</u>
Current assets			
Inventories	3	0.09	0.09
Financial assets			
i. Trade receivables	4	27.40	0.86
ii. Cash and cash equivalents	7	5.35	55.96
iii. Other bank balances	8	197.21	-
iv. Other financial assets	5	1.24	1.42
Other current assets	6	58.09	42.63
		<u>289.39</u>	<u>100.96</u>
<b>TOTAL ASSETS</b>		<b>444.77</b>	<b>254.08</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	9	0.10	0.10
Other equity			
Retained earnings	10	24.53	25.93
Total equity		<u>24.63</u>	<u>26.03</u>
Non-current liabilities			
Financial liabilities			
i. Borrowings	11	100.00	-
Other liabilities	15	121.29	124.25
		<u>221.29</u>	<u>124.25</u>
Current liabilities			
Financial liabilities			
i. Borrowings	11	50.00	-
ii. Trade payables	12		
a. Total outstanding dues of micro enterprises and small enterprises		-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		93.91	54.49
iii. Other financial liabilities	13	42.69	41.59
Other liabilities	15	12.24	7.72
		<u>198.84</u>	<u>103.80</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>444.77</b>	<b>254.08</b>

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 G S K A & Co.  
Chartered Accountants  
Firm Registration No. 147093W

per Ganesh Gaikwad  
Partner  
Membership Number : 136512

Place: Pune  
Date: 04 July 2023

For and on behalf of the board of directors of  
Sterlite Interlinks Limited

Subroto Dhar  
Director  
DIN: 09022061

Surya Rajshekhar Deshraj  
Director  
DIN: 08920289

Place: Gurugram  
Date: 04 July 2023



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

	Notes	31 March 2023	31 March 2022
<b>INCOME</b>			
Revenue from operations	16	106.52	27.37
Other income	16	-	-
<b>Total income (I)</b>		<b>106.52</b>	<b>27.37</b>
<b>EXPENSES</b>			
Contract expense		0.01	0.54
Other expenses	19	106.88	27.86
<b>Total expenses (II)</b>		<b>106.89</b>	<b>28.39</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)</b>		<b>(0.37)</b>	<b>(1.02)</b>
Finance income	17	6.51	1.51
Finance costs	18	(7.53)	-
<b>Profit/(loss) before tax</b>		<b>(1.39)</b>	<b>0.49</b>
<b>Tax expense:</b>			
Current tax	14	-	0.15
Deferred tax		-	-
<b>Income tax expense</b>		<b>-</b>	<b>0.15</b>
<b>Profit/(loss) for the year</b>		<b>(1.39)</b>	<b>0.34</b>
<b>Other comprehensive income/(loss) for the year</b>		-	-
<b>Total comprehensive income/loss for the year</b>		<b>(1.39)</b>	<b>0.34</b>
<b>Earnings per equity share</b>	20		
Basic and diluted			
Computed on the basis of profit/loss for the year (Rupee per share)		(139.47)	33.77

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 G S K A & Co.  
 Chartered Accountants  
 Firm Registration No. 147093W

*G S K A & Co.*  
 per Ganesh Gaikwad  
 Partner  
 Membership Number : 136512

Place: Pune  
 Date: 04 July 2023



For and on behalf of the board of directors of  
 Sterlite Interlinks Limited

*Subroto Dhar*  
 Subroto Dhar  
 Director  
 DIN: 09022061

*Surya Rajshekhar Deshraj*  
 Surya Rajshekhar Deshraj  
 Director  
 DIN: 08920289

Place: Gurugram  
 Date: 04 July 2023



Place: Gurugram  
 Date: 04 July 2023

**STERLITE INTERLINKS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH 2023**  
(All amounts in rupees million unless otherwise stated)

	Notes	31 March 2023	31 March 2022
<b>A. Cash flow from operating activities</b>			
Net profit/(loss) before tax as per the statement of profit and loss		(1.39)	0.34
Adjustment for taxation		-	0.15
Profit/(loss) before tax		(1.39)	0.49
<b>Adjustments for:</b>			
- Interest income	17	(6.51)	(1.51)
- Finance costs		7.53	-
		1.02	(1.51)
<b>Operating profit/(loss) before working capital changes</b>		(0.37)	(1.02)
Movements in working capital:			
- (Increase) / decrease in inventories	3	-	(0.09)
- (Increase) / decrease in trade receivables	4	(26.55)	39.98
- (Increase) / decrease in other financial assets	5	(1.09)	35.64
- (Increase) / decrease in other assets	6	(5.16)	10.25
- Increase / (decrease) in trade payables	12	39.41	(47.36)
- Increase / (decrease) in other financial liabilities	13	1.11	(47.82)
- Increase / (decrease) in other current liabilities	15	1.56	(0.63)
Change in working capital		9.28	(10.03)
<b>Net cash generated from/(used in) operations</b>		8.91	(11.05)
Direct taxes paid (including TDS on interest income)		(5.08)	(1.76)
<b>Net cash from/ (used in) operating Activities</b>		3.83	(12.81)
<b>B. Cash flow from investing Activities</b>			
Investment in deposits with banks (net)		(197.21)	-
Inter corporate deposit to Sterlite Convergence Limited, net of repayments (Refer note 26)		-	24.00
Inter corporate deposit to Serentica Renewables India 3 Private Limited (Refer note 26)		(135.00)	-
Inter corporate deposit received back from Serentica Renewables India 3 Private Limited (Refer note 26)		135.00	-
Net interest received /(paid)		-	0.67
Interest received on fixed deposits		7.78	0.52
<b>Net cash from / (used in) investing activities</b>		(189.43)	25.19
<b>C. Cash flow from financing activities</b>			
Proceeds from borrowings		150.00	-
Interest paid on borrowings		(15.01)	-
<b>Net cash from / (used in) financing activities</b>		134.99	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		(50.61)	12.38
<b>Cash and cash equivalents as at the beginning of year</b>		55.96	43.58
<b>Cash and cash equivalent as at the end of the year</b>		5.35	55.96
		<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Components of cash and cash equivalents (refer note 7):</b>			
Balance with banks on current accounts		5.35	10.93
Deposits with original maturity of less than three months		-	45.03
<b>Cash and cash equivalents in cash flow statement</b>		5.35	55.96



**STERLITE INTERLINKS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31 MARCH 2023**  
 (All amounts in rupees million unless otherwise stated)

**Reconciliation between opening and closing liabilities arising from financing activities**

	<b>Long term borrowings including current maturities</b>
<b>31 March 2021</b>	
Cash flow	
- Interest	
- Proceeds/(repayments)	
Accrual for the year	
<b>31 March 2022</b>	
Cash flow	
- Interest	(15.01)
- Proceeds/(repayments)	150.00
Accrual for the year	7.53
Prepaid interest	7.48
<b>31 March 2023</b>	<b>150.00</b>

Summary of significant accounting policies 2.2

As per our report of even date

For G S K A & Co.  
 Chartered Accountants  
 Firm Registration No. 147093W

  
 per Ganesh Gaikwad  
 Partner  
 Membership Number : 136512

Place: Pune  
 Date: 04 July 2023

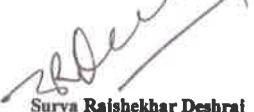


For and on behalf of the board of directors of  
 Sterlite Interlinks Limited

  
 Subroto Dhar  
 Director  
 DIN: 09022061

Place: Gurugram  
 Date: 04 July 2023



  
 Surya Rajshekhar Deshraj  
 Director  
 DIN: 08920289

Place: Gurugram  
 Date: 04 July 2023



**STERLITE INTERLINKS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023**  
 (All amounts in rupees million unless otherwise stated)

**A. EQUITY SHARE CAPITAL**

Equity shares of Rs. 10 each issued, subscribed and fully paid	Amount in rupees million
<b>As at 01 April 2021</b>	<b>0.10</b>
Issued during the year	-
<b>As at 31 March 2022</b>	<b>0.10</b>
Issued during the year	-
<b>As at 31 March 2023</b>	<b>0.10</b>

**B. OTHER EQUITY**

	Retained earnings
<b>As at 01 April 2021</b>	<b>25.59</b>
Profit for the year	0.34
Other comprehensive income	-
<b>As at 31 March 2022</b>	<b>25.93</b>
Loss for the year	(1.39)
Other comprehensive income	-
<b>As at 31 March 2023</b>	<b>24.53</b>

As per our report of even date

For G S K A & Co.  
 Chartered Accountants  
 Firm Registration No. 147093W

  
 per Ganesh Gaikwad  
 Partner  
 Membership Number : 136512

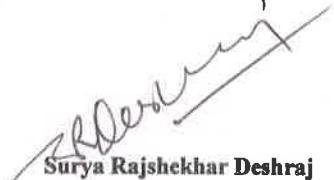
Place: Pune  
 Date: 04 July 2023



For and on behalf of the board of directors of  
 Sterlite Interlinks Limited

  
 Subroto Dhar  
 Director  
 DIN: 09022061

Place: Gurugram  
 Date: 04 July 2023

  
 Surya Rajshekhar Deshraj  
 Director  
 DIN: 08920289

Place: Gurugram  
 Date: 04 July 2023



**Sterlite Interlinks Limited**  
**Notes to Financial Statements for the year ended 31 March 2023**

**1. Corporate information**

Sterlite Interlinks Limited ("the Company") is a public company domiciled in India. The Company was incorporated under the provisions of the Companies Act, 2013 on 20 December 2017. The registered office of the Company is located at DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector- 20 Gurugram Gurgaon HR 122008 IN.

The Company has been incorporated to construct, maintain, etc. the infrastructure of Dark Fibre through OPGW / Cabling, ROW, Duct Space and towers on lease/ rent out basis.

The financial statements were authorised for issue in accordance with the resolution passed by the Board of Directors of the Company on 4 July 2023

**2. Significant accounting policies**

**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended

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.



**b) Foreign currencies**

The Company's financial statements are presented in INR, which is its functional currency. The Company does not have any foreign operation and has assessed the functional currency to be INR.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss

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

**c) Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets such as property plant and equipment. Involvement of external valuers is decided by the management on a need basis and with relevant approvals. The valuers involved are selected based on criteria like market knowledge, reputation, independence and professional standards. The management decides after discussion with the external valuers, which valuation techniques and inputs to use for the valuation.



At each reporting date, the management analyses the movement of assets and liabilities which are required to be remeasured or reassessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management in conjunction with the external valuers also compares the change in fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

**d) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that the necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**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, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. 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) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.



Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

#### ***Sale of goods***

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

#### ***Revenue from engineering, procurement and construction (EPC) contracts***

In case of revenue from fixed price EPC contracts for telecommunication 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. Payment is due as per the achievement of contractual milestones.

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. Where the profits from the contract cannot be estimated reliably, revenue is recognised equalling to expense incurred to the extent that it is probable that the expense will be recovered.

#### ***Contract modifications:***

Contract modifications are defined as changes in the scope of the work, other than changes envisaged in the original contract, that may result in a change in the revenue associated with that contract. Modifications to approval before billings can be issued and the amounts relating to the additional work can be collected. The Company does not recognise the revenue from such additional work until the customer's approval has been obtained. In cases where the additional work has been approved but the corresponding change in price has not been determined, the requirement described below for variable consideration is applied: namely, to recognise revenue for an amount with respect to which it is highly probable that a significant reversal will not occur. The costs associated with these additional units or services performed are recognised when incurred, irrespective of whether or not the modification has been approved.

#### ***Variable considerations:***

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

#### ***Income from services***

Revenues from services are recognised pro-rata over the period of the contract as and when services are rendered.

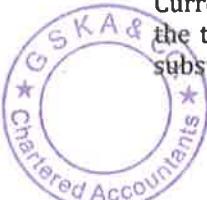
#### ***Interest income***

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

#### **g) Taxes**

##### **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 or substantively enacted at the reporting date.



Current income tax relating to items recognised outside of profit or loss is recognised outside 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.

**Deferred tax liabilities are recognised for all taxable temporary differences**

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised:

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 of profit or loss is recognised outside 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 Company and the same taxation authority.

**h) Provisions and contingent liabilities**

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.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.



**i) Operating Leases**

**Where the Company is the lessee:**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss over the lease term.

**ii) Inventory**

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

Traded goods - Lower of cost and net realisable value. Cost includes direct landed costs. Cost is determined on a weighted average basis.

**k) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period 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.

**l) 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 market place (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



**Sterlite Interlinks Limited**  
**Notes to Financial Statements for the year ended 31 March 2023**

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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to note 5.

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as at 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 and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**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 and loss.

**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 AS 103 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.

#### **Impairment of financial assets**

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., deposits, trade receivables and bank balance;
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

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

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

- Financial assets measured as at amortised cost, contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.



For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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

### **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 trade and other payables and loans and borrowings.

#### **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.

### **Loans and borrowings**

This is the category most relevant to the Company. 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 and loss.

This category generally applies to borrowings. For more information refer note 11.

### **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 and loss.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **m) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.



**n) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

**o) 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.

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 2023**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023 which are not expected to have material impact on the financial statements 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 to 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.



STERLITE INTERLINKS LIMITED  
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023  
 (All amounts in rupees million unless otherwise stated)

NOTE 3: INVENTORIES

	31 March 2023	31 March 2022
Traded goods	0.09	0.09
<b>Total</b>	<b>0.09</b>	<b>0.09</b>

NOTE 4: TRADE RECEIVABLES

	31 March 2023	31 March 2022
<b>Current</b>		
Trade receivables (unsecured, considered good)	7.24	0.86
Receivable from related party (refer note 26)	20.16	-
<b>Total</b>	<b>27.40</b>	<b>0.86</b>
<b>Break-up for security details:</b>		
<b>Trade receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	27.40	0.86
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
	<b>27.40</b>	<b>0.86</b>

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

Trade receivables are generally non-interest bearing and are generally on terms of 30 to 90 days.

Trade receivables ageing schedule	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As at 31 March 2023</b>							
Undisputed trade receivables – considered good	21.03	6.37	0.00	-	-	-	27.40
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	-	-	-	-	-	-	-
<b>Total</b>	<b>21.03</b>	<b>6.37</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27.40</b>
<b>As at 31 March 2022</b>							
Undisputed trade receivables – considered good	0.25	0.61	-	-	-	-	0.86
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	-	-	-	-	-	-	-
<b>Total</b>	<b>0.25</b>	<b>0.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.86</b>

NOTE 5: OTHER FINANCIAL ASSETS

	31 March 2023	31 March 2022
<b>Financial Instruments at amortized cost</b>		
<b>Non-current</b>		
Security deposits (unsecured, considered good)	0.01	0.01
<b>Total</b>	<b>0.01</b>	<b>0.01</b>
<b>Current</b>		
Interest accrued on deposits with banks	0.14	1.42
Unbilled revenue	1.09	-
<b>Total</b>	<b>1.24</b>	<b>1.42</b>



**STERLITE INTERLINKS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
 (All amounts in rupees million unless otherwise stated)

**NOTE 6: OTHER ASSETS**

	31 March 2023	31 March 2022
<b>Non-current</b>		
Prepaid expenses (deferred cost)	115.11	117.92
<b>Total</b>	<u>115.11</u>	<u>117.92</u>
<b>Current</b>		
Advance to creditors		0.02
Balances with government authorities	42.99	35.32
Prepaid expenses (deferred cost)	7.62	7.29
Prepaid interest on loan from related party (refer note 26)	7.48	-
<b>Total</b>	<u>58.09</u>	<u>42.63</u>

**NOTE 7: CASH AND CASH EQUIVALENTS**

	31 March 2023	31 March 2022
Balances with banks:		
- On current accounts	5.35	10.93
- Deposits with original maturity of less than three months	-	45.03
<b>Total</b>	<u>5.35</u>	<u>55.96</u>

**NOTE 8: OTHER BANK BALANCES**

	31 March 2023	31 March 2022
Deposit with banks with original maturity of more than 3 months but less than 12 months	197.21	-
<b>Total</b>	<u>197.21</u>	<u>-</u>

**NOTE 9: EQUITY SHARE CAPITAL**

	31 March 2023	31 March 2022
<b>Authorised shares</b>		
0.5 million (31 March 2022: 0.05 million) equity shares of Rs. 10 each	0.50	0.50
<b>Issued, subscribed and fully paid-up shares</b>		
0.01 million (31 March 2022: 0.01 million) equity shares of Rs. 10 each fully paid up	0.10	0.10
<b>Total issued, subscribed and fully paid-up share capital</b>	<u>0.10</u>	<u>0.10</u>

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

	31 March 2023	31 March 2022
	Numbers in million	Numbers in million
	Rupees in million	Rupees in million
At the beginning of the period		
Issued during the year	0.01	0.10
<b>Outstanding at the end of the year</b>	<u>0.01</u>	<u>0.10</u>

**b. Terms/rights attached to equity shares**

The Company has 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 company and their subsidiaries/associates:**

	31 March 2023	31 March 2022
	Numbers in million	Numbers in million
	% holding	% holding
PTC Cables Private Limited		
Sterlite Power Transmission Limited	0.01	0.01
	100.00%	51.00%
	-	49.00%
<b>0.01</b>	<u>100.00%</u>	<u>0.01</u>
<b>0.01</b>	<b>100.00%</b>	<b>0.01</b>

\*Number is less than 0.01 million

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

	31 March 2023	31 March 2022
	Numbers in million	Numbers in million
	% holding	% holding
PTC Cables Private Limited		
Sterlite Power Transmission Limited	0.01	0.01
	100.00%	51.00%
	-	49.00%
<b>0.01</b>	<u>100.00%</u>	<u>0.01</u>
<b>0.01</b>	<b>100.00%</b>	<b>0.01</b>

\*Number is less than 0.01 million



**STERLITE INTERLINKS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
(All amounts in rupees million unless otherwise stated)

**e. Detail of shareholding of Promoters**

<u>As at 31 March 2023</u>		In million			
Promoter Name	No. of shares at the beginning of the year (In million)	Change during the year	No. of shares at the end of the year (In million)	% of Total Shares	% change during the year
PTC Cables Private Limited	0.01	-0.01	-	-	-100.00%
Sterlite Power Transmission Limited	0.00*	0.01	0.01	100.00%	104.08%
<b>Total</b>	<b>0.01</b>	<b>-</b>	<b>0.01</b>	<b>100.00%</b>	

**As at 31 March 2022**  
\*Number is less than 0.01 million

<u>As at 31 March 2022</u>		In million			
Promoter Name	No. of shares at the beginning of the year (In million)	Change during the year	No. of shares at the end of the year (In million)	% of Total Shares	% change during the year
PTC Cables Private Limited	0.01	-	0.01	51.00%	-
Sterlite Power Transmission Limited	0.00*	-	0.00*	49.00%	-
<b>Total</b>	<b>0.01</b>	<b>-</b>	<b>0.01</b>	<b>100.00%</b>	

**NOTE 10: OTHER EQUITY**

	<u>31 March 2023</u>	<u>31 March 2022</u>
<b>Retained earnings</b>		
Balance as per last financial statements	25.93	25.59
Profit/(loss) for the year	(1.39)	0.34
	<b>24.53</b>	<b>25.93</b>

The Company has not made any distribution in the form of dividend, interim or final, nor has proposed any dividend.



**STERLITE INTERLINKS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
(All amounts in rupees million unless otherwise stated)

**NOTE 11: BORROWINGS**

	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Non-current</b>		
Loan from a related party (secured)* (refer note 26)	100.00	-
	<b>100.00</b>	<b>-</b>
<b>Current</b>		
<b>Current maturity of long-term loans</b>		
Loan from a related party (secured)* (refer note 26)	50.00	-
	<b>50.00</b>	<b>-</b>
<b>Total</b>	<b>50.00</b>	<b>-</b>

\*During the current year, the Company has taken a secured loan from Maharashtra Transmission Communication Infrastructure Limited amounting to Rs. 150 million (March 31, 2022: Nil) carrying interest at the rate of 10% p.a. and is repayable in 3 equal yearly installments. The loan is secured against first and exclusive charge over all future cash flows and receivables of the Borrower except the 'Excluded Receivables' and all rights, title, interests, benefits, claims and demands whatsoever of the Borrower in, to, under and in respect of the same and all operating cash flows, monies, receivables (whether scheduled or unscheduled receivables), book debts, commissions, revenues of whatsoever nature of the Borrower.

**NOTE 12: TRADE PAYABLES**

	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Trade payables</b>		
- total outstanding dues of micro enterprises and small enterprises (refer note 29)	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises:	93.91	54.49
	<b>93.91</b>	<b>54.49</b>
- Trade payables to related parties (refer note 26)	92.36	-
- Other trade payables	1.55	54.49
<b>Total trade payables</b>	<b>93.91</b>	<b>54.49</b>

Trade payables are non-interest bearing and are normally settled on 30-90 days terms.  
For explanation on the Company's risk management policies, refer note 23

**Trade payables ageing schedule**

	Outstanding for following periods from due date of payment						Total
	Not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2023</b>							
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	20.41	1.55	71.95	-	-	-	93.91
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>20.41</b>	<b>1.55</b>	<b>71.95</b>	-	-	-	<b>93.91</b>
<b>As at 31 March 2022</b>							
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.41	1.35	34.40	18.33	-	-	54.49
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>0.41</b>	<b>1.35</b>	<b>34.40</b>	<b>18.33</b>	-	-	<b>54.49</b>

**NOTE 13: OTHER FINANCIAL LIABILITIES**

	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Current</b>		
Advance from related parties (Refer note 26)	41.01	41.01
Deposit from customers	0.65	0.58
Other payables to related party	1.04	-
<b>Total</b>	<b>42.69</b>	<b>41.59</b>



**STERLITE INTERLINKS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
(All amounts in rupees million unless otherwise stated)

**NOTE 14: TAXES**

	<b>31 March 2023</b>	<b>31 March 2022</b>
Current income tax	-	0.15
Income tax expenses reported in the statement of profit or loss	-	0.15
<b>Reconciliation of tax expense and the accounting profit/(loss) multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:</b>		
	<b>31 March 2023</b>	<b>31 March 2022</b>
<b>Accounting profit/(loss) before income tax</b>	<b>(1.39)</b>	<b>0.49</b>
At India's statutory income tax rate of 25.17% (31 March 2022: 25.17%)	(0.35)	0.12
Deferred tax asset not recognised on losses	0.35	-
Others	-	0.02
At the effective income tax rate	-	0.15
Income tax expense reported in the statement of profit and loss	-	0.15

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**STERLITE INTERLINKS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
(All amounts in rupees million unless otherwise stated)

**NOTE 15: OTHER LIABILITIES**

	<b>31 March 2023</b>	<b>31 March 2022</b>
Non-current		
Unearned/deferred revenue	121.29	124.25
<b>Total</b>	<b>121.29</b>	<b>124.25</b>
Current		
Unearned/deferred revenue	8.03	7.68
TDS payable	2.55	0.03
Advance from customers	1.66	-
<b>Total</b>	<b>12.24</b>	<b>7.72</b>

**NOTE 16: REVENUE FROM OPERATIONS**

	<b>31 March 2023</b>	<b>31 March 2022</b>
Revenue from contracts with customers		
Sale of services (see notes below)	23.82	27.37
Revenue from agency services (see notes below)	82.69	-
<b>Revenue from operations</b>	<b>106.52</b>	<b>27.37</b>

**16.1 Disaggregated revenue information**

	<b>31 March 2023</b>	<b>31 March 2022</b>
Type of service		
Revenue from IRU/ARC contracts	19.10	18.64
Revenue from agency services	82.69	-
Revenue from maintenance contracts	4.73	7.78
Revenue from EPC contracts	-	0.95
<b>Total revenue from contracts with customers</b>	<b>106.52</b>	<b>27.37</b>
Within India	106.52	27.37
Outside India	-	-
<b>Total revenue from contracts with customers</b>	<b>106.52</b>	<b>27.37</b>
Timing of revenue recognition		
Revenue recognised at a point in time	-	-
Revenue recognised over time	106.52	27.37
<b>Total revenue from contracts with customers</b>	<b>106.52</b>	<b>27.37</b>

**16.2 Contract balances**

	<b>31 March 2023</b>	<b>31 March 2022</b>
Contract assets	28.50	0.86
Contract liabilities	130.98	131.94

The company provides fiber 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.

The Company has entered into a channel partner agreement during the year with Maharashtra Transmission Communication Infrastructure Limited (MTCIL) for a period of 5 years on which it will earn agency commission for fibre leasing services for existing and new customer accounts of MTCIL on both ARC & IRU Model, Col-location space leasing, EPC etc on client brought in by the Company.

**NOTE 17: FINANCE INCOME**

	<b>31 March 2023</b>	<b>31 March 2022</b>
Interest income from related parties (refer note 26)	4.12	0.64
Interest income on deposits with banks	2.39	0.84
Others	-	0.03
<b>Total</b>	<b>6.51</b>	<b>1.51</b>



**STERLITE INTERLINKS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
(All amounts in rupees million unless otherwise stated)

**NOTE 18: FINANCE COSTS**

	<b>31 March 2023</b>	<b>31 March 2022</b>
Interest expense	7.52	-
Bank charges	0.01	-
	<b>7.53</b>	<b>-</b>

**NOTE 19: OTHER EXPENSES**

	<b>31 March 2023</b>	<b>31 March 2022</b>
Management fees expense (refer note 26)	72.82	-
Leasing and rental services	0.06	1.40
Legal and professional fees	10.16	0.33
Revenue share (refer note 26)	22.61	25.13
Sitting fees	0.30	0.65
Payment to auditor (refer details below)	0.20	0.15
Miscellaneous expenses	0.73	0.19
	<b>106.88</b>	<b>27.86</b>
<b>As auditor:</b>		
Statutory audit fee	0.15	0.15
Tax audit fee	0.05	-
	<b>0.20</b>	<b>0.15</b>

**NOTE 20: EARNINGS PER SHARE (EPS)**

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

	<b>31 March 2023</b>	<b>31 March 2022</b>
Profit/(loss) for the year	(1.39)	0.34
Weighted average number of equity shares in calculating basic and diluted EPS (A) (In million)	0.01	0.01
<b>Earnings per share</b>		
Basic and diluted (on nominal value of Rs. 10 per share) Rupees/share	(139.47)	33.77

**NOTE 21: SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, 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. As on March 31, 2023 there are no such significant judgements, estimates and assumptions which can affect the financial statements.

**NOTE 22: FAIR VALUE MEASUREMENTS**

There are no financial instruments which are carried at fair value at the year end. The management assessed that cash and cash equivalents, other bank balances, trade receivables, trade payables and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. For fixed rate borrowings, their fair value approximate their carrying amounts mainly due to the movement in interest rates from recognition of such financial instrument period end not being material.



**STERLITE INTERLINKS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
(All amounts in rupees million unless otherwise stated)

**NOTE 23: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial liabilities comprise borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents, other bank balances and other financial assets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company 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.

Management has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit Risk, Liquidity Risk and Market risk.

**(a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings. The Company is not exposed to currency risk and other price risk.

**Interest rate risk**

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

As at 31 March 2023, the Company is not exposed to the interest rate fluctuation risk due to fixed interest rate borrowings.

**Interest rate sensitivity**

The Company's profit/(loss) before tax is not affected through the impact on floating rate as the Company has fixed rate borrowings.

**(b) 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) and 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 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 4. 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.



**STERLITE INTERLINKS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
 (All amounts in rupees million unless otherwise stated)

**(c) Liquidity risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Company requires funds both for short term operational needs as well as for long term investment programs 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 - 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 3 months	3 months to 12 months	1 year to 5 years	> 5 years	Total
<b>As at March 31, 2023</b>						
Borrowings	-	-	50.00	100.00	-	150.00
Other financial liabilities	-	-	42.69	-	-	42.69
Trade payables	-	93.91	-	-	-	93.91
	<b>-</b>	<b>93.91</b>	<b>92.69</b>	<b>100.00</b>	<b>-</b>	<b>286.60</b>
<b>As at March 31, 2022</b>						
Other financial liabilities	-	-	41.59	-	-	41.59
Trade payables	-	54.49	-	-	-	54.49
	<b>-</b>	<b>54.49</b>	<b>41.59</b>	<b>-</b>	<b>-</b>	<b>96.07</b>

**NOTE 24: 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 and other payables less cash and cash equivalents, other bank balance and current investments.

Particulars	As at 31 March 2023	As at 31 March 2022
Interest bearing loans and borrowings	150.00	-
Trade payables	93.91	54.49
Other financial liabilities	42.69	41.59
Less: cash and cash equivalents and other bank balance	(202.57)	(55.96)
<b>Net debt</b>	<b>84.04</b>	<b>40.12</b>
Equity share capital	0.10	0.10
Other equity	24.53	25.93
Total capital	24.63	26.03
<b>Capital and net debt</b>	<b>108.67</b>	<b>66.15</b>
Gearing ratio	77.33%	60.65%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

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



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

NOTE 25: SEGMENT DISCLOSURES

The Company's management has identified three reportable operating segments. The Company's significant source of risk and rewards are derived from fiber leasing activities, EPC contract and agency services the performance of which is reviewed by the management on a periodic basis and hence considered as individual operating segments.

## 8. Operating segments information

Particulars	Agency Services		Fiber Leasing		EPC Contract		Total For the year ended 31 March 2022	
	For the year ended 31 March 2023		For the year ended 31 March 2023		For the year ended 31 March 2022			
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022		
Segment revenue							For the year ended 31 March 2022	
Revenue from operations	82.69	-	23.82	26.42	-	0.95	106.52	
Other income	-	-	23.82	26.42	-	0.95	106.52	
Result	<b>82.69</b>	-	<b>1.21</b>	<b>1.30</b>	-	<b>0.41</b>	<b>107.43</b>	
Segment results (PBIT)							For the year ended 31 March 2023	
Finance income	-	-	-	-	-	-	For the year ended 31 March 2022	
Finance expense	-	-	-	-	-	-	For the year ended 31 March 2023	
Unallocated expenses	-	-	-	-	-	-	For the year ended 31 March 2022	
Profit/(loss) before tax	-	-	-	-	-	-	For the year ended 31 March 2023	
Tax expenses including deferred tax	-	-	-	-	-	-	For the year ended 31 March 2022	
Profit/(loss) after tax	-	-	-	-	-	-	For the year ended 31 March 2023	
Profit/(loss) after tax	(1.39)	-	(1.39)	(1.39)	-	(1.39)	(1.39)	

## b. Geographical Information

i. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

Particulars	For the year ended		
	31 March 2023	31 March 2022	
Revenue within:			
India	106.52	27.37	
Rest of the world	-	-	
<b>Total</b>	<b>106.52</b>	<b>27.37</b>	

### iii. Segment definition

Particulars	As at	
	31 March 2023	31 March 2022
Revenue within:		
India	27.40	0.86
Rest of the world	-	-
<b>Total</b>	<b>27.40</b>	<b>0.86</b>



**STERILITE INTERLINKS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
 (All amounts in rupees million unless otherwise stated)

**NOTE 26: RELATED PARTY TRANSACTIONS**

**A. Name of related parties and nature of relationships**

**a. Related party where control exists:**

Name of the related party	Nature of Relationship
PTC Cables Private Limited	Holding Company (upto May 31, 2022)
Sterlite Power Transmission Limited (SPTL)	Holding Company (from June 01, 2022)
b. Other related parties with whom transactions have taken place during the year	
Sterlite Power Transmission Limited (SPTL)	Entity exercising significant influence upto May 31, 2022
Sterlite Convergence Limited (SCL)	Fellow subsidiary
Maharashtra Transmission Communication Infrastructure Limited (MTCL)	Fellow subsidiary
Serenica Renewables India 3 Private Limited (SRIFL 3)	Fellow subsidiary
c. Key management personnel	
Ms. Mala Todarwal	Director upto June 12, 2022
L.N Tandon	Director upto June 14, 2022
Mr. Kamman Ramamirtham	Director upto June 14, 2022

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

Particulars	SCL	SPTL	SRIFL 3	MTCL	Ms. Mala Todarwal	L.N Tandon	Mr. Kamman Ramamirtham	SCL	31 March 2022	SPTL
<b>Transactions during the year:</b>										
Professional fees expense	5.00	-	-	-	-	-	-	-	-	-
Sales commission-revenue	-	-	-	-	82.69	-	-	-	-	-
Loan given*	-	-	-	-	135.00	-	-	-	-	-
Loan received back*	-	-	-	-	135.00	150.00	-	-	24.00	-
Loan taken	-	-	-	-	4.12	-	-	-	-	-
Interest income on inter corporate deposit Given	-	-	-	-	-	-	-	-	-	-
Advance received from related party repaid	22.61	-	-	-	-	-	-	-	-	-
Revenue sharing expenses	-	-	-	-	-	-	-	-	-	-
Security deposit given to related party refunded	-	-	-	-	-	-	-	-	-	-
Management fees paid	-	-	-	-	-	-	-	-	-	-
Director sitting fee	-	-	-	-	-	-	-	-	-	-
Interest expense on Loan	-	-	-	-	-	-	-	-	-	-
Advance interest given	-	-	-	-	-	-	-	-	-	-
<b>Closing balances:</b>										
Trade receivable/ other receivable	-	-	-	-	-	-	-	-	-	-
Management fees payable	-	-	-	-	75.81	-	-	-	-	-
Trade payable	16.56	-	-	-	-	-	-	-	-	-
Other payables	1.04	-	-	-	-	-	-	-	-	-
Prepaid interest	-	-	-	-	-	-	-	-	-	-
Loan payable	-	-	-	-	-	7.48	-	-	-	-
Payable against advance received	-	-	-	-	-	150.00	-	-	-	-
						41.01				41.01

\* Company had given a inter corporate deposit to Serenica Renewables India 3 Private Limited amounting to INR 135 million on 30 December 2022 which carried an interest rate of 13% p.a. The same was repaid by Serenica Renewables India 3 Private Limited on March 24, 2023.



**STERLITE INTERLINKS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
(All amounts in rupees million unless otherwise stated)

**NOTE 27: 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	1.46	0.97	49.63%	This is on account of increase in bank balances mainly fixed deposits with banks resulting in increase in current assets.
Debt-Equity ratio	Total debt = Short-term borrowings + Long-term borrowings	Shareholder's equity = Equity share capital + Retained earnings	6.09	-	100.00%	Due to borrowings availed during the year
Debt service coverage ratio	Earnings for debt service = Profit after tax + Finance costs - Finance income	Debt service = Interest payments Net repayment of short-term borrowings	0.11	-	100.00%	Not applicable, as there was no borrowings during the previous year
Return on equity ratio	Profit after tax	Average shareholder's equity = (Opening shareholder's equity + Closing shareholder's equity)/2	-5.51%	1.40%	-493.42%	Due to decrease in profit of the company as compared to previous year.
Inventory turnover ratio	Cost of goods sold = Purchase of traded goods	Average inventories = (Opening inventories + Closing inventories)/2	Not applicable	Not applicable	NA	The company is mainly into providing of services hence inventory turnover ratio is not given.
Trade receivable turnover ratio	Net credit sales = Revenue from operations	Average trade receivables = (Opening trade receivables + Closing trade receivables)/2	7.54	1.31	473.97%	The improvement in trade receivable turnover ratio is because of decrease in average trade receivables on account of better collections from customers.
Trade payable turnover ratio						
Net profit ratio	Net profit = Profit after tax	Average trade payables = (Opening trade payables)/2	1.44	0.36	296.61%	The improvement in ratio is on account of payment made to the parties inspite of increase in expenses during the year.
Net capital turnover ratio	Net sales = Revenue from operations	Working capital = Current assets - Current liabilities	1.18	(9.63)	-112.21%	This is on account of increase in revenue and current assets mainly bank balances as at and for the year ended 31 March 2023
Net profit ratio	Net profit = Profit after tax	Net sales = Revenue from operations	-1.31%	1.23%	-206.13%	The profit is reduced during the year on account of increase in finance and other costs as compared to PY.
Return on capital employed	Earnings before interest and taxes = Earnings before interest, tax, depreciation and amortisation - Depreciation and amortisation expense	Capital employed = Shareholder's equity + Total debt	-0.21%	-3.91%	-94.58%	The reduction in return on capital employed is because of new capital infused through borrowings.
Return on investment	Return = Interest income on bank deposits	Investment = Average Deposits with banks	1.97%	3.73%	-47.14%	The decrease in return on investment is because of increased amount of fixed deposits towards the end of the current year ended 31 March 2023



**STERLITE INTERLINKS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**  
(All amounts in rupees million unless otherwise stated)

**NOTE 28: CAPITAL AND OTHER COMMITMENTS**

There are no capital and other commitments as at 31 March 2023 (31 March 2022: Nil).

**NOTE 29: DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006**

There are no MSME vendors in the Company as at 31 March 2023 (31 March 2022: None)

**NOTE 30: 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 has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- (vii) 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).

As per our report of even date

For G S K A & Co.  
Chartered Accountants  
Firm Registration No. 147093W

per Ganesh Gaikwad  
Partner  
Membership Number : 136512

Place: Pune  
Date: 04 July 2023



For and on behalf of the board of directors of  
Sterlite Interlinks Limited, ~

Subroto Dhar  
Director  
DIN: 09022061

Place: Gurugram  
Date: 04 July 2023

Surya Rajshekhar Deshraj  
Director  
DIN: 08920289

Place: Gurugram  
Date: 04 July 2023

