



Sterlite Technologies Limited

Subsidiaries Financial Statements

Financial Year 2020-21

SPEEDON NETWORK LIMITED
BALANCE SHEET AS AT 31 MARCH 2021
(All amounts are in Rs. lacs, unless otherwise states)

	Note	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant & equipment	4	1,640.57	1,887.46
Capital work-in progress		105.04	93.29
Intangible assets	4A	87.33	99.84
Financial assets			
Investments	5	2.00	2.00
Loans	6	16.49	14.74
Deferred tax assets (net)	7	-	-
Other non-current assets	8	352.95	302.90
		2,204.38	2,400.23
Current assets			
Financial assets			
Trade receivables	9	338.95	336.00
Cash and cash equivalents	10	57.71	58.47
Other bank balances	10A	39.39	37.86
Other financial assets	11	381.73	87.41
Other current assets	8	256.88	313.22
		1,074.66	832.96
Total Assets		3,279.04	3,233.19
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	155.00	155.00
Other Equity	13	(602.68)	198.53
Total Equity		(447.68)	353.53
Current liabilities			
Financial liabilities			
Borrowings	14	2,535.99	2,362.63
Trade payables			
-Total outstanding dues of micro enterprises & small enterprises	15	-	0.21
-Total outstanding dues of creditors other than micro enterprises & small enterprises		1,185.81	508.44
Other current liabilities	16	4.92	8.38
		3,726.72	2,879.66
Total Liabilities		3,726.72	2,879.66
Total Equity & Liabilities		3,279.04	3,233.19
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For and on behalf of the Board Of Directors of Speedon Network Limited

Disha Maheshwari
Partner
Membership Number: 110159
Place: Pune
Date:

K S Rao
Director
DIN: 00022533
Place:
Date:

Pankaj Aggarwal
Director
DIN: 0889216
Place:
Date:

Alok Mahapatra
Chief Executive Officer
Place:
Date:

SPEEDON NETWORK LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. lacs, unless otherwise stated)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
INCOME			
Revenue from operations	17	1,095.32	1,418.92
Other Income	18	1.88	2.15
Total Income (I)		1,097.20	1,421.07
EXPENSES			
Other expenses	20	1,440.30	1,689.18
Total Expenses (II)		1,440.30	1,689.18
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		(343.10)	(268.11)
Depreciation and amortisation expense	21	259.47	252.78
Finance costs	22	201.59	199.92
Finance Income	19	(2.95)	(3.28)
Profit/(Loss) before tax		(801.21)	(717.53)
Tax expense:			
Current tax	7	-	-
Deferred tax		-	-
Total tax expenses		-	-
Profit/(Loss) for the year		(801.21)	(717.53)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(801.21)	(717.53)
Earnings/(Loss) per share			
Basic	23		
Computed on the basis of profit/(loss) for the year (Rs.)		(51.69)	(46.29)
Diluted			
Computed on the basis of profit/(loss) for the year (Rs.)		(51.69)	(46.29)
Summary of significant accounting policies	2		

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Chief Executive Officer
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Date:

SPEEDON NETWORK LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. lacs, unless otherwise states)

A. Equity Share Capital

	Note	No. in lacs	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid			
As at 1 April 2019		15.50	155.00
Changes in equity share capital	12	-	-
As at 31 March 2020		15.50	155.00
Changes in equity share capital	12	-	-
As at 31 March 2021		15.50	155.00

B. Other equity

Particulars	Securities Premium Reserves	Retained Earnings	Equity Portion of Compulsorily Convertible Debentures	Equity Contribution from Parent	Total
Balance at 1 April 2019	345.54	(4,083.64)	4,470.59	183.57	916.06
Profit/(Loss) for the year	-	(717.53)	-	-	(717.53)
Other comprehensive income for the year	-	-	-	-	-
Balance at 31 March 2020	345.54	(4,801.17)	4,470.59	183.57	198.53
Profit/(Loss) for the year	-	(801.21)	-	-	(801.21)
Other comprehensive income for the year	-	-	-	-	-
Balance at 31 March 2021	345.54	(5,602.39)	4,470.59	183.57	(602.68)

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Chief Executive Officer
Place:
Date:

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SPEEDON NETWORK LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. lacs, unless otherwise states)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Operating activities			
Profit/(Loss) before tax		(801.21)	(717.53)
Adjustments to reconcile profit/(loss) before tax to net cash flows			
Depreciation expense	21	246.96	240.27
Amortization expense	21	12.51	12.51
Provision for doubtful debts	20	14.65	-
Interest on tax refund	18	(1.88)	-
Finance costs	22	201.59	199.92
Finance income	19	(2.95)	(3.28)
		<u>470.88</u>	<u>449.42</u>
Operating profit/(loss) before working capital changes		(330.33)	(268.12)
Change in operating assets and liabilities:			
Increase/(Decrease) in trade payables	15	677.17	344.84
Increase/(Decrease) in other current liabilities	16	(3.46)	2.94
Increase/(Decrease) in contract liabilities		-	(9.07)
Decrease/(Increase) in other financial assets	11	(294.32)	(39.40)
Decrease/(Increase) in trade receivable	9	(17.60)	955.51
Decrease/(Increase) in current assets	8	56.33	108.18
Decrease/(Increase) in other bank balances	10A	0.17	0.15
Decrease/(Increase) in other non-current assets	8	(64.22)	(249.97)
Changes in working capital		<u>354.07</u>	<u>1,113.18</u>
Cash generated from/(used in) operations		23.74	1,113.20
Income Taxes (paid) / refund received		16.05	-
Net cash generated from/(used in) operating activities		<u>39.79</u>	<u>1,113.20</u>
B. Investing activities			
Loans to related parties		(0.50)	(0.82)
Movement in property, plant & equipments		(11.82)	8.58
Net cash generated from/(used in) investing activities		<u>(12.32)</u>	<u>7.76</u>
C. Financing activities			
Proceeds of borrowings	27	303.77	195.17
Repayment of borrowings	27	(130.41)	(992.90)
Payment of Interest on borrowings	27	(199.98)	-
Bank Charges	22	(1.61)	(1.11)
Net cash generated from/(used in) financing activities		<u>(28.23)</u>	<u>(798.84)</u>
Net increase/(decrease) in cash and cash equivalents (A + B + C)		(0.76)	54.01
Cash and cash equivalents as at beginning of year		58.47	4.46
Cash and cash equivalents as at year end		57.71	58.47
Components of cash and cash equivalents:			
		31 March 2021	31 March 2020
Balances with banks:			
In current accounts	10	57.71	58.47
Cash in hand	10	-	-
Total cash and cash equivalents		57.71	58.47

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As per our report of even date.

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Speedon Network Limited

Notes to financial statements for the year ended 31 March 2021

1. Corporate information

Speedon Network Limited (the 'Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is a wholly owned subsidiary of Sterlite Technologies Limited. The business of the Company is to deploy active equipment's of last mile aimed at facilitating the delivery of Voice, Video, Text, Data Services and other related telecom and media services by various service providers to business and households on payment basis.

The registered office of the company is located at Survey No. 68/1, Rakholi Village, Madhuban Dam Road, Silvassa, Dadra And Nagar Haveli – 396230.

2. Significant accounting policies

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

2.1 Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

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

Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and services and the time between the acquisitions of assets for processing and their realisation in cash and cash equivalents, the company has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

Speedon Network Limited

Notes to financial statements for the year ended 31 March 2021

a) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on the basis of underlying transactions.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

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

b) Revenue from contracts with customers

Ind AS 115 "Revenue from contracts with customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The five-step process that must be applied before revenue can be recognised:

- (i) identify contracts with customers
- (ii) identify the separate performance obligation
- (iii) determine the transaction price of the contract
- (iv) allocate the transaction price to each of the separate performance obligations, and
- (v) recognise the revenue as each performance obligation is satisfied.

Speedon Network Limited

Notes to financial statements for the year ended 31 March 2021

Revenue recognition policy

The Company has following stream of revenue:

(i) Sale of services

The Company accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Company identifies distinct performance obligations in each contract. For most of the contracts, the Company provides a service of last mile data connectivity through leasing of it's network equipment.

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

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

If none of the criteria above are met, the Company recognises revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

Due to the nature of the contracts, revenue is straight lined over the period of performance.

The Company estimates variable consideration using the most likely amount to which it expects to be entitled. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Contracts are modified to account for changes in contract specifications and requirements. The Company considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations.

The customer pays the amount against the services provided based on the agreed price in the contract. If the services rendered by the Company exceed the payment, a contract asset is recognized. If the payment exceed the services rendered, a contract liability is recognised.

c) Other Income

Interest income

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

Speedon Network Limited

Notes to financial statements for the year ended 31 March 2021

Dividend

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

d) Income Taxes

Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference 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 income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

Speedon Network Limited

Notes to financial statements for the year ended 31 March 2021

Current and Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to income taxes levied by same taxation authorities on either same taxable entity or different taxable entities which intend either to settle the current tax assets and tax liabilities on a net basis or to realise the asset and settle the liability simultaneously.

e) Property, plant and equipment

All property, plant and equipment and Capital work in progress are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Such historical cost includes the cost of replacing part of the property, plant and equipment and borrowing costs if the recognition criteria are met. When significant parts of the property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of profit or loss as incurred. No decommissioning liabilities are expected or be incurred on the assets of plant and equipment.

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

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

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The Company, based on technical assessments made by technical experts and management estimates, depreciates the certain items of tangible assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Table below provide the details of the useful life which are different from useful life prescribed under Schedule II of the Companies Act, 2013:

Asset Category	Useful Life considered #	Useful life (Schedule II)
Plant and Machinery	1 - 18 Years *	Continous process plant -25 Years Others - 15 Years
Optical fibre cable (included in plant and machinery)	18 Years *	18 Years
Office equipments	5 Years *	5 Years

Speedon Network Limited

Notes to financial statements for the year ended 31 March 2021

* Considered on the basis of management's estimation, supported by technical advice, of the useful lives of the respective assets.

Residual value considered as 15% on the basis of management's estimation, supported by technical advice.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit or loss when the asset is derecognised.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

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

f) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is recognised in the Statement of Profit and Loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss.

The Company does not have any intangible assets with indefinite useful lives.

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

Customer acquisition costs consist of payments made to obtain consents/permissions for laying of fiber cables and other telecom infrastructure in residential and commercial complexes/townships. Such cost is amortized over the period of the consent/permission on a straight line basis.

Softwares and licenses are amortised on a straight line basis over a period of ten years.

Speedon Network Limited

Notes to financial statements for the year ended 31 March 2021

g) Leases

Company has adopted Ind AS 116 with effect from April 1, 2019.

As a Lessee:

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

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

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

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

- the amount measured on a retrospective basis as if the new rules had always been applied
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

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

h) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

i) Provisions and contingent liabilities

General

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

Speedon Network Limited

Notes to financial statements for the year ended 31 March 2021

required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

j) Investment and Other Financial assets

i) Classification & Recognition:

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

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

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

ii) Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Speedon Network Limited

Notes to financial statements for the year ended 31 March 2021

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented as a separate line item in the financial statements.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented as separate line item in the financial statements.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Equity investment in subsidiaries are carried at historical cost as per the accounting policy choice given by IND AS 27.

iii) Impairment of financial assets

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

Speedon Network Limited

Notes to financial statements for the year ended 31 March 2021

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;
- b) Lease receivables under Ind AS 116;
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116.

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

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

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

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

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

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

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

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

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

Speedon Network Limited

Notes to financial statements for the year ended 31 March 2021

iv) Derecognition of financial asset

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

k) Financial liabilities

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Speedon Network Limited

Notes to financial statements for the year ended 31 March 2021

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that 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 the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

m) Cash and cash equivalents

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

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

n) Dividends

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Speedon Network Limited

Notes to financial statements for the year ended 31 March 2021

o) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

p) Presentation of EBITDA

The Company presents Earnings before interest, tax, depreciation and amortisation ('EBITDA') in the statement of profit or loss; this is not specifically required by Ind AS 1. The term EBITDA is not defined in Ind AS. Ind AS compliant Schedule III allows companies to present line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the company's financial position or performance.

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

q) Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless there is significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

r) Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors has been identified as being the CODM. Refer note 33 for segment information presented.

s) Rounding of amount

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lacs as per the requirement of Schedule III, unless otherwise stated.

Speedon Network Limited

Notes to financial statements for the year ended 31 March 2021

2.2 Going Concern Assumption

During the year the company has incurred a loss and is carrying accumulated losses pertaining to prior years. The outstanding loan has been obtained from the Holding Company.

The Company has also received support letter from the Holding Company for all necessary financial and operational support to enable the Company to continue and hence the financial statements have been prepared on going concern basis.

2.3 Recent accounting pronouncements

Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 with effect from April 1, 2021. There are key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015.

These changes are applicable for the financial year commencing from April 1, 2021 thus management will evaluate disclosures required and applicable to Financial statements issued in respect of accounting years commencing on or after April 1st, 2021.

SPEEDON NETWORK LIMITED

Notes to financial statements for the year ended 31 March 2021

NOTE 3 : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

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SPEEDON NETWORK LIMITED

Notes to financial statements for the year ended 31 March 2021

NOTE 4: PROPERTY, PLANT & EQUIPMENT

	(Rs. in Lacs)		
	Plant & Machinery*	Office equipments	Total
Cost			
As at 1 April 2019	3,409.76	0.35	3,410.11
Additions	71.60	-	71.60
Disposals/Adjustments	-	-	-
As at 31 March 2020	3,481.36	0.35	3,481.71
Additions	-	0.07	0.07
Disposals/Adjustments	-	-	-
As at 31 March 2021	3,481.36	0.42	3,481.78
Accumulated Depreciation			
As at 1 April 2019	1,353.81	0.17	1,353.98
Charge for the year	240.20	0.07	240.27
Disposals/Adjustments	-	-	-
As at 31 March 2020	1,594.01	0.24	1,594.25
Charge for the year	246.88	0.08	246.96
Disposals/Adjustments	-	-	-
As at 31 March 2021	1,840.89	0.32	1,841.21
Net Book Value			
As at 31 March 2021	1,640.47	0.10	1,640.57
As at 31 March 2020	1,887.35	0.11	1,887.46

*Includes assets in the nature of Optical Network Terminal devices, telecom boxes installed and telecom devices lying with subscribers/customers.

Note : Capital work in progress mainly includes amounts pertaining to plant & machinery.

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SPEEDON NETWORK LIMITED

Notes to financial statements for the year ended 31 March 2021

NOTE 4A: OTHER INTANGIBLE ASSETS

	(Rs. in Lacs)	
Intangible assets	Software/ Licenses	Total
Cost		
As at 1 April 2019	125.07	125.07
Additions	-	-
Disposals/Adjustments	-	-
As at 31 March 2020	125.07	125.07
Additions	-	-
Disposals/Adjustments	-	-
As at 31 March 2021	125.07	125.07
Accumulated Amortization		
As at 1 April 2019	12.72	12.72
Charge for the year	12.51	12.51
Disposals/Adjustments	-	-
As at 31 March 2020	25.23	25.23
Charge for the year	12.51	12.51
Disposals/Adjustments	-	-
As at 31 March 2021	37.74	37.74
Net Block		
As at 31 March 2021	87.33	87.33
As at 31 March 2020	99.84	99.84

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SPEEDON NETWORK LIMITED
Notes to financial statements for the year ended 31 March 2021

NOTE 5: INVESTMENTS

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Non-current investments in equity instruments (unquoted, fully paid up)		
Investment in Subsidiaries		
Equity investment at cost		
20,000 (31 March 2020 - 20,000) Equity shares of Sterlite Telesystems Limited of Rs. 10 each fully paid up	2.00	2.00
Total	2.00	2.00
Total non-current investments		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	2.00	2.00
Amount of impairment in the value of investments	-	-

NOTE 6: LOANS

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Non- Current		
Loans to related party (Refer Note 27)	16.49	14.74
Less : Loss allowance	-	-
Total non current loan	16.49	14.74
Break-up for security details		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	16.49	14.74
Loans which have significant increase in credit risk	-	-
Loans - Credit impaired	-	-
Total	16.49	14.74
Less : Loss allowance	-	-
Total	16.49	14.74

NOTE 7: DEFERRED TAX ASSETS (NET) AND CURRENT TAX

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Deferred tax liability		
Property, plant & equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	76.01	77.61
Gross deferred tax liability	76.01	77.61
Deferred tax assets		
Carried Forward Losses and Unabsorbed Depreciation	1,712.75	1,448.00
Demerger Costs	-	0.20
Provision for doubtful debts	7.98	-
VNO License Fee	19.51	3.25
Expenditure allowed for tax purposes on payment basis	15.68	-
	1,755.92	1,451.45
Deferred tax assets recognised	76.01	77.61
Deferred tax assets not recognised (Refer Note Below)	1,679.91	1,373.84
Net deferred tax assets	-	-

Note:

1. No provision for income tax for the year has been made in the absence of book profits and in view of taxable loss computed under the provisions of the Income Tax Act, 1961, of India.
2. Since deferred tax assets (DTA) are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses, no DTA has been recognised on unused tax credits and unused tax losses in the absence of future taxable profits. Accordingly, in the current year, the Company has recognised deferred tax assets only to the extent of deferred tax liabilities.

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SPEEDON NETWORK LIMITED
Notes to financial statements for the year ended 31 March 2021

NOTE 8: OTHER ASSETS

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Non-current		
Advance income tax, including TDS	89.14	103.31
Balances with government authorities	250.00	191.10
Others	13.81	8.49
Total other non-current assets	352.95	302.90
Current		
Balances with government authorities (including amount paid under protest)	227.41	302.87
Prepaid expenses	23.27	9.73
Others	6.20	0.62
Total other current assets	256.88	313.22

NOTE 9: TRADE RECEIVABLES

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Current		
Trade receivables	159.76	352.03
Receivables from related parties (Refer Note No. 27)	209.87	-
Less : Loss allowance	(30.68)	(16.03)
	338.95	336.00
Break-up for security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	369.63	352.03
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Total	369.63	352.03
Less: Loss Allowance	(30.68)	(16.03)
Total Trade Receivables	338.95	336.00

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 in which any director is a partner, a director or a member.

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SPEEDON NETWORK LIMITED

Notes to financial statements for the year ended 31 March 2021

NOTE 10: CASH AND CASH EQUIVALENTS

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Cash in hand	-	-
Balance with banks:		
In current accounts	57.71	58.47
	57.71	58.47

NOTE 10A: OTHER BANK BALANCES

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Deposits with original maturity for more than 3 months but less than 12 months	39.39	37.86
Total other bank balances	39.39	37.86

NOTE 11: OTHER FINANCIAL ASSETS

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Unbilled Revenue	381.73	87.41
	381.73	87.41

Significant changes in Unbilled revenue

Unbilled revenue has increased from the previous year as the entity has incurred costs towards the fulfilment of performance obligations identified under the contracts with customers. There is no impairment allowance of the unbilled revenue for current year and previous year. During the year ended March 31, 2021, Rs. 76.00 Lacs (March 31, 2020: Rs NIL Lacs) of opening unbilled revenue has been reclassified to Trade receivables upon billing to customers.

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SPEEDON NETWORK LIMITED
Notes to financial statements for the year ended 31 March 2021

NOTE 12: SHARE CAPITAL

	31 March 2021	31 March 2020
	(Rs. in lacs)	(Rs. in lacs)
Authorised Equity Share Capital		
5,000,000 (31 March 2020: 5,000,000) Equity Shares of Rs. 10 each	500.00	500.00
Issued, subscribed and fully paid-up shares		
1,550,000 (31 March 2020: 1,550,000) Equity Shares of Rs. 10 each fully paid - up	155.00	155.00
Total issued, subscribed and fully paid-up equity share capital	155.00	155.00

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

	31 March 2021		31 March 2020	
	Nos in lacs	Rs. in lacs	Nos in lacs	Rs. in lacs
At the beginning of the year	15.50	155.00	15.50	155.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	15.50	155.00	15.50	155.00

b. Terms and rights attached to equity shares

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

c. Shares held by Holding Company and their subsidiaries/associates:

	31 March 2021		31 March 2020	
	No. in lacs	% holding	No. in lacs	% holding
Immediate Holding Company				
Sterlite Technologies Limited and its nominee shareholders	15.50	100.00%	15.50	100.00%

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

	31 March 2021		31 March 2020	
	No. in lacs	% holding	No. in lacs	% holding
Sterlite Technologies Limited and its nominee shareholders	15.50	100.00%	15.50	100.00%

Note : The Company has not issued bonus shares or shares without consideration in last 5 years.

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SPEEDON NETWORK LIMITED

Notes to financial statements for the year ended 31 March 2021

NOTE 13 : OTHER EQUITY

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Equity Portion of Compulsorily Convertible Debentures (Carrying interest rate @0.01%. Refer note 31)		
Opening balance	4,470.59	4,470.59
Add: Issued during the year	-	-
Equity Portion of Compulsorily Convertible Debentures	4,470.59	4,470.59
Securities premium reserve		
Opening and Closing balance	345.54	345.54
Securities premium reserve	345.54	345.54
Equity Contribution from Parent		
Opening and Closing balance	183.57	183.57
Equity Contribution from Parent	183.57	183.57
Retained Earnings		
Opening balance	(4,801.17)	(4,083.64)
Add: Profit/(Loss) for the year	(801.21)	(717.53)
Total retained earnings	(5,602.38)	(4,801.17)
Total other equity	(602.68)	198.53

Nature and Purpose of reserves other than retained earnings:

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Equity Contribution from Parent

This is attributable to the fair value difference at inception for loan obtained from the Holding Company.

Equity Portion of Compulsorily Convertible Debentures

This pertains to the Compulsory Convertible Debentures issued by the company in earlier years as per the requirement of Ind AS 109 (Refer Note 31).

NOTE 14: BORROWINGS

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Current borrowings		
Term loans		
Loan from Related Party (unsecured) (refer note below)	2,535.99	2,362.63
	2,535.99	2,362.63
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	2,535.99	2,362.63
Total Current borrowings	2,535.99	2,362.63

Note:

The Company has obtained unsecured borrowing from its Holding Company which carries interest at 8% p.a. (31 March 2020: 8% p.a.) and the same is repayable on demand based on availability of funds with the Company.

Net debt reconciliation

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

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Particulars		
Cash and cash equivalents	57.71	58.47
Current investments*	39.39	37.86
Current Borrowings	(2,535.99)	(2,362.63)
Net Debt	(2,438.89)	(2,266.30)

*pertains to other bank balance of Rs. 39.39 lacs (31 March 2020 : 37.86 lacs) with respect to fixed deposits. These fixed deposits can be encashed by the Company at any time without any major penalties.

SPEEDON NETWORK LIMITED
Notes to financial statements for the year ended 31 March 2021

Movement of Current borrowings

	(Rs. in crores)	(Rs. in crores)
	31 March 2021	31 March 2020
Opening balance	2,362.63	2,961.92
Cashflows	173.36	(798.10)
Interest expense	199.98	198.81
Interest paid	(199.98)	-
Closing balance	<u>2,535.99</u>	<u>2,362.63</u>

Movement of Cash and cash equivalents

	(Rs. in crores)	(Rs. in crores)
	31 March 2021	31 March 2020
Opening balance	58.47	4.46
Cashflows	(0.76)	54.01
Closing balance	<u>57.71</u>	<u>58.47</u>

Movement of Current Investments

	(Rs. in crores)	(Rs. in crores)
	31 March 2021	31 March 2020
Opening balance	37.86	35.84
Cashflows	-	-
Interest accrued	1.53	2.02
Closing balance	<u>39.39</u>	<u>37.86</u>

NOTE 15: TRADE PAYABLES

	31 March 2021	31 March 2020
	(Rs. in lacs)	(Rs. in lacs)
Total outstanding dues of micro enterprises & small enterprises (refer note 26)	-	0.21
Total outstanding dues of creditors other than micro enterprises & small enterprises		
Trade payables to related parties (refer note 27)	918.50	326.10
Others	267.31	182.34
	<u>1,185.81</u>	<u>508.44</u>
Total Trade Payable	<u>1,185.81</u>	<u>508.65</u>

NOTE 16: OTHER LIABILITIES

	31 March 2021	31 March 2020
	(Rs. in lacs)	(Rs. in lacs)
Current		
Statutory dues payable	4.92	8.38
Total other current liabilities	<u>4.92</u>	<u>8.38</u>

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SPEEDON NETWORK LIMITED
Notes to financial statements for the year ended 31 March 2021

NOTE 17: REVENUE FROM OPERATIONS

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Revenue from Contract with Customers		
Revenue from Sale of services	1,095.32	1,418.92
Total revenue from Contract with Customers	1,095.32	1,418.92

Revenue disaggregation in terms of nature has been included above.

There is no amount of unsatisfied (or partially satisfied) performance obligation as on March 31, 2021.

Refer note 2 for accounting policy.

The total contract price of Rs.1,095.32 lacs (March 31, 2020 : Rs. 1,418.92 lacs) is reduced by consideration of Rs. NIL (March 31, 2020 : Rs. NIL) towards variable components.

NOTE 18: OTHER INCOME

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Interest on tax refund	1.88	0.63
Others	-	1.52
Total other income	1.88	2.15

NOTE 19: FINANCE INCOME

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Interest income on		
- Bank deposits	1.70	2.18
- Loan to related party (Refer Note 27)	1.25	1.10
Total finance income	2.95	3.28

NOTE 20: OTHER EXPENSES

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Legal and professional fees	15.01	11.16
License Fees	88.01	113.95
Network Maintenance Expenses	1,098.82	1,365.80
Power, fuel and water	94.07	78.77
Provision for doubtful debts	14.65	-
Payment to Auditor (refer note below)	11.00	9.00
Rent	59.91	57.59
Rates and taxes	4.91	0.26
Travelling and conveyance	4.21	3.22
Telephone charges	3.76	1.58
Miscellaneous expenses	45.95	47.85
Total other expenses	1,440.30	1,689.18

Payment to Auditor

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
As Auditor:		
Statutory Audit fee	4.50	4.50
Tax audit fee	1.00	1.00
GST Audit and Other Certification Services	5.50	3.50
	11.00	9.00

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SPEEDON NETWORK LIMITED
Notes to financial statements for the year ended 31 March 2021

NOTE 21: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2021	31 March 2020
	(Rs. in lacs)	(Rs. in lacs)
Depreciation of tangible assets	246.96	240.27
Amortisation of intangible assets	12.51	12.51
Total depreciation and amortisation expense	259.47	252.78

NOTE 22: FINANCE COST

	31 March 2021	31 March 2020
	(Rs. in lacs)	(Rs. in lacs)
Interest on loan from related party (Refer Note 27)	199.98	198.81
Bank charges	1.61	1.11
Total finance cost	201.59	199.92

NOTE 23: EARNINGS/(LOSS) PER SHARE (EPS)

The following table shows the computation of basic and diluted EPS

	31 March 2021	31 March 2020
	(Rs. in lacs)	(Rs. in lacs)
(a) Basic earnings/(loss) per share		
Profit/(Loss) for the year	(801.21)	(717.53)
Weighted average number of equity shares in calculating basic EPS	15.50	15.50
Total Basic earnings/(loss) per share attributable to the equity holders of the Company	(51.69)	(46.29)
(a) Diluted earnings/(loss) per share		
Profit/(Loss) for the year	(800.76)	(717.08)
Weighted average number of equity shares in calculating diluted EPS	462.56	462.56
Total diluted earnings/(loss) per share attributable to the equity holders of the Company*	(51.69)	(46.29)

*Compulsorily convertible debentures have not been considered for calculating diluted earnings per share as it has an anti-dilutive effect on the earnings per share.

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SPEEDON NETWORK LIMITED

Notes to financial statements for the year ended 31 March 2021

NOTE 24: CAPITAL AND OTHER COMMITMENTS

There is no Capital and Other Commitments during the Current year (31 March 2020: NIL).

NOTE 25: DETAILS OF LOANS AND ADVANCES GIVEN TO SUBSIDIARIES

The details are provided as required by section 186 of the Companies Act 2013.

(Rs. in lacs)

Name of Subsidiary	31 March 2021		31 March 2020	
	Outstanding Amount	Maximum Balance	Outstanding Amount	Maximum Balance
Sterlite Telesystems Limited	16.49	16.49	14.74	14.74

NOTE 26: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

Description	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to micro and small enterprises	-	0.21
Interest due on above	-	* 0.00
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	0.00
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

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

*Amounts are below rounding off norms.

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SPEEDON NETWORK LIMITED

Notes to financial statements for the year ended 31 March 2021

NOTE 27 : RELATED PARTY TRANSACTIONS

Name of related party and nature of relationships:

a) Related parties where control exists:**(i) Holding Company:**

Sterlite Technologies Limited ('STL') (Immediate Holding Company)
 Twinstar Overseas Limited, Mauritius (Intermediate Holding Company)
 Volcan Investments Limited, Bahamas (Ultimate Holding Company)

(ii) Subsidiary

Sterlite Telesystems Limited ('STSL')

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

K S Rao (Non-Executive Director)
 Pankaj Aggarwal (Non-Executive Director) (from September 22, 2020)
 Alok Mahapatra (Non-Executive Director, CEO) (from April 28, 2020)
 Anupam Jindal (Non-Executive Director) (up to September 11, 2020)
 Dharmendra Jain (Non-Executive Independent Director) (up to April 30, 2020)
 Lalit Narayan Tandon (Non-Executive Independent Director) (up to March 04, 2020)

Transactions with related parties during the year and outstanding balances are as follows:

Particulars	Transactions with STL		Transactions with STSL	
	2020-21	2019-20	2020-21	2019-20
Transactions during the year				
Services provided (exclusive of duties and taxes)	-	421.15	-	-
Network Maintenance Expenses	732.18	965.67	-	-
Other Operating Expenses	17.67	34.62	-	-
Interest on loans taken	199.98	198.81	-	-
Interest on loans given	-	-	1.25	1.10
Loans taken	303.77	195.17	-	-
Repayment of loans	130.41	973.39	-	-
Loans given (principal amount)	-	-	0.50	0.82
Closing balances as at year end	As at 31 Mar 2021	As at 31 Mar 2020	As at 31 Mar 2021	As at 31 Mar 2020
Long term loan taken	2,535.99	2,362.63	-	-
Equity Portion of Compulsorily Convertible Debentures (Refer Note 13)	4,470.59	4,470.59	-	-
Equity Contribution from Parent (Refer Note 13)	183.57	183.57	-	-
Loans receivables	-	-	16.49	14.74
Investment in equity shares	-	-	2.00	2.00
Trade Receivable	209.87	-	-	-
Trade Payable	918.50	326.10	-	-

Note - In case of transactions with related parties, the amounts are exclusive of applicable taxes.

SPEEDON NETWORK LIMITED

Notes to financial statements for the year ended 31 March 2021

Note 28: FINANCIAL RISK MANAGEMENT

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

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. All risk management activities are carried out by specialist teams that have the appropriate skills, experience and supervision. 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 approved and reviewed regularly by Board to reflect changes in market conditions and the Company's activities.

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

a) Credit risk

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

Trade Receivables and Unbilled Revenue

Customer credit risk is managed by top management subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credit rating 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 on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. During the period, the Company made no write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. As significant outstanding trade receivable are outstanding from its Holding Company credit risk related to these receivables is considered to be low.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation and based on assessment performed management has concluded that impact of expected credit loss is not material and current provision made against trade receivable is adequate to cover the provision on account of expected credit loss.

Details of Expected credit loss for trade receivables and unbilled revenue is as follows:

Particulars	31 March 2021			31 March 2020		
	less than 365 days	more than 365 days	Total	less than 365 days	more than 365 days	Total
Gross carrying amount	498.02	253.34	751.36	332.56	106.88	439.44
Expected credit loss rate	0.00%	12.11%		0.00%	15.00%	
Expected credit loss provision	-	30.68	30.68	-	16.03	16.03
Carrying amount of trade receivable and unbilled revenue (net of provision)	498.02	222.66	720.68	332.55	90.86	423.41

Financial assets and cash deposits

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

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2021 and 31 March 2020 is the carrying amounts of each class of financial assets.

b) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Company requires funds both for short term operational needs as well as for long term investment programs mainly in growth 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 Company has obtained financial support from its Holding Company to meet its liquidity requirements.

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:

SPEEDON NETWORK LIMITED
Notes to financial statements for the year ended 31 March 2021

Particulars	Rs. in lacs			Total
	Less than 3 months	3 months to 12 months	1 year to 5 years	
As at March 31, 2021				
Trade payables	267.31	918.50	-	1,185.81
	267.31	918.50	-	1,185.81
As at March 31, 2020				
Trade payables	268.29	240.35	-	508.64
	268.29	240.35	-	508.64

The Company has obtained unsecured borrowing from its Holding Company and the same is repayable on demand based on availability of funds with the Company.

Note 29: 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 adequate funds to meet its obligations. The Company currently relies on loan provided by the Parent Company. The term of this loan requires the Company to repay only as and when it has adequate internal accruals for such repayment.

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 excluding discontinued operations.

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Interest Bearing Loans and borrowings	2,535.99	2,362.63
Less: Cash and Cash equivalents & current investment*	97.10	96.33
Net debt	2,438.89	2,266.30
Equity share capital	155.00	155.00
Other equity	(602.68)	198.53
Total capital	(447.68)	353.53
Capital and net debt	1,991.21	2,619.83
Gearing ratio	122.48%	86.51%

*includes other bank balance of Rs. 39.39 lacs (31 March 2020 : 37.86 lacs) with respect to fixed deposit. These fixed deposits can be encashed by the Company at any time without any major penalties.

There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

NOTE 30: FAIR VALUE MEASUREMENTS

The management assessed that cash and cash equivalents, other bank balances, trade receivables, trade payables, investments, loans, other assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Therefore, carrying value of these instruments is considered to be same as the fair value. These instruments are included in level 3.

NOTE 31: COMPULSORILY CONVERTIBLE DEBENTURES

The Company in the previous years has issued 44,705,928 unsecured Compulsorily Convertible Debentures ('CCDs') of Rs 10 each at a price of Rs. 10. These CCDs are repayable by 31st December 2023. However, the CCDs can be converted to equity shares at any time after allotment at the option of investor subject to necessary approval in place. Interest payable on the CCDs is 0.01% per annum. Each CCD is convertible into 1 equity share of face value of Rs 10. As these debentures were compulsorily convertible carrying insignificant interest payments, entire amount was classified as equity contribution from Holding Company.

NOTE 32: CONTINGENT LIABILITIES

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
a) Sales tax	-	11.63

b) The Company has provided bank guarantee of Rs. 210 lakhs (31 March 2020 : Rs. 210 lakhs) to Department of Telecommunication (DoT) against ISP Licence (the Internet Service Provider License) Category A vide agreement (Agreement no: 821-120/2014-DS ('ISP License')) dated August 14, 2014.

SPEEDON NETWORK LIMITED
Notes to financial statements for the year ended 31 March 2021

NOTE 33: SEGMENT REPORTING

The Company's operations predominately relate to provision of data services through active equipment in telecom network and accordingly this is the only reportable segment as per Ind AS-108 "Operating Segments".

The Company does not have any reportable geographical segments.

Revenue from one customer in India amounted to Rs. 527 Lakhs (31 March 2020 : Rs. 632 Lakhs)

All non current operating assets of the Company are located in India.

NOTE 34: NOTE ON PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Company has opted for the exemption in accordance with paragraph 4(a) of Ind AS 110 and section 129 of Companies Act, 2013 read with Companies (Accounts) Amendment Rules, 2016 and opted to not prepare consolidated financial statements as it is a wholly owned subsidiary of Sterlite Technologies Limited ("Holding Company") which is incorporated in Pune, India, under the Companies Act, 2013. The Holding Company's consolidated financial statements can be obtained from 4th Floor, Godrej Millennium, Koregaon Road 9, STS 12/1, Pune, Maharashtra - 411001.

NOTE 35: IMPACT OF COVID - 19 PANDEMIC

The outbreak of Coronavirus (COVID - 19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated the impact of pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements.

NOTE 36: PREVIOUS YEAR FIGURES

Previous year figures have been reclassified to confirm to this year's classification.

The accompanying notes are an integral part of the financial statements
As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For and on behalf of the Board Of Directors of Speedon Network Limited

Disha Maheshwari
Partner
Membership Number: 110159
Place: Pune
Date:

K S Rao
Director
DIN: 00022533
Place:
Date:

Pankaj Aggarwal
Director
DIN: 0889216
Place:
Date:

Alok Mahapatra
Chief Executive Officer
Place:
Date:

**STL DIGITAL LIMITED (FORMERLY "STERLITE TECH CONNECTIVITY SOLUTIONS LIMITED")
BALANCE SHEET AS AT 31 MARCH 2021**

	Note	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Assets			
Current assets			
Financial assets			
Cash and cash equivalents	3	263,181	391,971
		263,181	391,971
Total Assets		263,181	391,971
Equity and Liabilities			
Equity			
Equity share capital	4	500,000	500,000
Other Equity	5	(372,320)	(236,030)
Total Equity		127,681	263,971
Current liabilities			
Financial liabilities			
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises; and	6	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	6	118,000	118,000
Other liabilities	7	17,500	10,000
Total Liabilities		135,500	128,000
Total Equity and Liabilities		263,181	391,971
Summary of significant accounting policies	2		

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

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

**For and on behalf of the Board of Directors of
STL Digital Limited**

Disha Maheshwari
Partner
Membership Number: 110159

Ankit Agarwal
Director
DIN: 03344202

Mihir Modi
Director
DIN: 03401046

Place : Pune
Date : August ____, 2021

Place : Pune
Date : August ____, 2021

STL DIGITAL LIMITED (FORMERLY "STERLITE TECH CONNECTIVITY SOLUTIONS LIMITED")
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

	Note	For the year ending March 31, 2021 (Amount in Rs.)	For the year ending March 31, 2020 (Amount in Rs.)
Income			
Revenue from operations		-	-
Total Income (I)		-	-
Expenses			
Other expenses	8	136,290	118,029
Total Expense (II)		136,290	118,029
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		(136,290)	(118,029)
Finance costs		-	-
Profit/(Loss) before tax		(136,290)	(118,029)
Tax expense:			
Current tax		-	-
Deferred tax	9	-	-
Total tax expenses		-	-
Profit/(Loss) for the year		(136,290)	(118,029)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income		(136,290)	(118,029)
Earnings/(Loss) per share			
Basic and diluted	10		
Computed on the basis of profit/(loss) for the year (Rs.)		(2.73)	(2.36)
Summary of significant accounting policies	2		

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

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

**For and on behalf of the Board of Directors of
STL Digital Limited**

Disha Maheshwari
Partner
Membership Number: 110159

Ankit Agarwal **Mihir Modi**
Director Director
DIN: 03344202 DIN: 03401046

Place : Pune
Date : August ____, 2021

Place : Pune
Date : August ____, 2021

STL DIGITAL LIMITED (FORMERLY "STERLITE TECH CONNECTIVITY SOLUTIONS LIMITED")
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

A. Equity share capital

	<u>Numbers</u>	<u>Amount in Rs.</u>
As at April 01, 2019	50,000	500,000
Changes in equity share capital	-	-
As at 31 March 2020	<u>50,000</u>	<u>500,000</u>
Changes in equity share capital	-	-
As at 31 March 2021	<u>50,000</u>	<u>500,000</u>

B. Other equity

	<u>Retained earnings</u> <u>(Amount in Rs.)</u>
As at April 01, 2019	<u>(118,000)</u>
Profit/(Loss) for the year	(118,029)
Other comprehensive income for the year	-
As at 31 March 2020	<u>(236,030)</u>
Profit/(Loss) for the year	(136,290)
Other comprehensive income for the year	-
As at 31 March 2021	<u>(372,320)</u>

Summary of significant accounting policies

2

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

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

**For and on behalf of the Board of Directors of
STL Digital Limited**

Disha Maheshwari
Partner
Membership Number: 110159

Ankit Agarwal
Director
DIN: 03344202

Mihir Modi
Director
DIN: 03401046

Place : Pune
Date : August __, 2021

Place : Pune
Date : August __, 2021

**STL DIGITAL LIMITED (FORMERLY "STERLITE TECH CONNECTIVITY SOLUTIONS LIMITED")
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021**

	Note	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
A. Operating activities			
Profit/(Loss) before tax		(136,290)	(118,029)
Operating profit/(loss) before working capital changes		(136,290)	(118,029)
Working capital adjustments:			
Increase in other liabilities	7	7,500	10,000
Cash generated from/(used in) operations		(128,790)	(108,029)
Income tax paid (net of refunds)		-	-
Net cash generated from/(used in) operating activities		(128,790)	(108,029)
B. Investing activities			
Net cash generated from/(used in) investing activities		-	-
C. Financing activities			
Net cash generated from/(used in) financing activities		-	-
Net increase (decrease) in cash and cash equivalents (A+B+C)		(128,790)	(108,029)
Cash and cash equivalents at the beginning of the year	3	391,971	500,000
Cash and cash equivalents at end of the year	3	263,181	391,971
Components of cash and cash equivalents:			
		31 March 2021	31 March 2020
Balances with banks:			
In current accounts	3	263,181	391,971
Total cash and cash equivalents		263,181	391,971
Summary of significant accounting policies	2		

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

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

**For and on behalf of the Board of Directors of
STL Digital Limited**

Disha Maheshwari
Partner
Membership Number: 110159

Ankit Agarwal
Director
DIN: 03344202

Mihir Modi
Director
DIN: 03401046

Place : Pune
Date : August ____, 2021

Place : Pune
Date : August ____, 2021

STL Digital Limited (Formerly "Sterlite Tech Connectivity Solutions Limited")
Notes to financial statements for the year ended 31 March 2021

1. Corporate information

STL Digital Limited (Erstwhile "Sterlite Tech Connectivity Solutions Limited") (the 'Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company was incorporated on 20 December 2018 and is a wholly owned subsidiary of Sterlite Technologies Limited. The Company changed its name from "Sterlite Tech Connectivity Solutions Limited" to "STL Digital Limited" during the year ended 31 March 2021. The registered office of the Company is located at Plot No 33/1/1, Waghadara Road, Dadra, Silvassa, Dadra & Nagar Haveli (DN) – 396230.

2. Significant accounting policies

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

2.1 Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

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

Current versus non-current classification

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

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

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 year; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Company classifies all other liabilities as non-current.

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

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and services and the time between the acquisitions of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

STL Digital Limited (Formerly "Sterlite Tech Connectivity Solutions Limited")
Notes to financial statements for the year ended 31 March 2021

a) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the Company's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on the basis of underlying transactions.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

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

b) Revenue from contracts with customers

Ind AS 115 “Revenue from contracts with customers” deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an Company’s contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

The five-step process that must be applied before revenue can be recognised:

- (i) identify contracts with customers
- (ii) identify the separate performance obligation
- (iii) determine the transaction price of the contract
- (iv) allocate the transaction price to each of the separate performance obligations, and
- (v) recognise the revenue as each performance obligation is satisfied.

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Notes to financial statements for the year ended 31 March 2021

Revenue recognition policy

The Company accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Company identifies distinct performance obligations in each contract. . If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

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

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

If none of the criteria above are met, the Company recognized revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

The Company estimates variable consideration using expected value method of probability-weighted values at an amount to which it expects to be entitled. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

c) Other Income

1. Interest income

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

2. Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

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d) Income Taxes

Current income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, only if it is probable that future taxable profits will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference 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 income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

Current and Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to income taxes levied by

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Notes to financial statements for the year ended 31 March 2021

same taxation authorities on either same taxable entity or different taxable entities which intend either to settle the current tax assets and tax liabilities on a net basis or to realise the asset and settle the liability simultaneously.

e) Leases

As a Lessee:

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

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

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

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

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

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

f) Provisions and contingent liabilities

General

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, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as interest expense.

STL Digital Limited (Formerly "Sterlite Tech Connectivity Solutions Limited")
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Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

g) Investment and Other Financial assets

i) Classification:

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

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

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

ii) Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income

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from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented as a separate line item in the financial statements.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented as separate line item in the financial statements.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the year in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;
- b) Lease receivables under Ind AS 116
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

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

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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 year, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company 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 Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, a Company 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 Company 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 year is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

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

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

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

iv) Derecognition of financial asset

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the

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financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting year following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

h) Financial liabilities

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting year. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting year with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting year and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

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Notes to financial statements for the year ended 31 March 2021

Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that 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 year in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) Cash and cash equivalents

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

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

j) Dividend

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

k) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

l) Presentation of EBITDA

The Company presents Earnings before interest, tax, depreciation and amortisation ('EBITDA') in the statement of profit or loss; this is not specifically required by Ind AS 1. The term EBITDA is not defined in Ind AS. Ind AS compliant Schedule III allows companies to present line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Company's financial position or performance.

Accordingly, the Company has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from

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Notes to financial statements for the year ended 31 March 2021

continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance income, finance costs and tax expense

m) Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless there is significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

n) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

o) Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors has been identified as being the CODM.

p) Rounding of amount

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Indian Rupee per the requirement of Schedule III, unless otherwise stated.

2.2 Recent Accounting Pronouncements

Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 with effect from April 1, 2021. There are key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015.

These changes are applicable for the financial year commencing from April 1, 2021 thus management will evaluate disclosures required and applicable to Financial statements issued in respect of accounting years commencing on or after April 1st, 2021.

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 3: CASH AND CASH EQUIVALENTS

	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Balances with banks:		
In current accounts	263,181	391,971
	263,181	391,971

NOTE 4: SHARE CAPITAL

	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Authorised share capital	500,000	500,000
50,000 Equity Shares of Rs.10 each	500,000	500,000
Issued, subscribed and fully paid-up share capital		
50,000 Equity Shares of Rs.10 each fully paid up	500,000	500,000
Total issued, subscribed and fully paid-up share capital	500,000	500,000

a. Reconciliation of the shares outstanding at the beginning and at the end of the year:

	Numbers	Amount in Rs.
As at 1 April 2019	50,000	500,000
Issued during the year	-	-
Outstanding as at 31 March 2020	50,000	500,000
Issued during the year	-	-
Outstanding as at 31 March 2021	50,000	500,000

b. Terms and rights attached to equity shares

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

c. Shares of the Company held by Holding Company

	31 March 2021	
	Numbers	% holding
Immediate Holding Company		
Sterlite Technologies Limited and its nominee shareholders	50,000	100%
	31 March 2020	
Immediate Holding Company		
Sterlite Technologies Limited and its nominee shareholders	50,000	100%

d. Details of shareholders holding more than 5% of shares in The Company

	31 March 2021	
	Numbers	% holding
Sterlite Technologies Limited and its nominee shareholders	50,000	100%
	31 March 2020	
Sterlite Technologies Limited and its nominee shareholders	50,000	100%

NOTE 5 : OTHER EQUITY

	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Retained earnings		
Opening balance	(236,030)	(118,000)
Add: Profit/(Loss) for the year	(136,290)	(118,029)
Total retained earnings	(372,320)	(236,030)
Total other equity	(372,320)	(236,030)

NOTE 6: TRADE PAYABLES

	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Total outstanding dues of creditors other than micro enterprises & small enterprises (refer note 14)	-	-
Total outstanding dues of creditors other than micro & small enterprises:		
- Others	118,000	118,000
Total Trade Payables	118,000	118,000

NOTE 7: OTHER CURRENT LIABILITIES

	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Current		
Others payable to Holding Company	17,500	10,000
Total current liabilities	17,500	10,000

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 8: OTHER EXPENSES

	31 March 2021	31 March 2020
	(Amount in Rs.)	(Amount in Rs.)
Payment to Auditor (refer note below)	118,000	118,000
Legal and Professional Fees	18,290	-
Bank Charges	-	29
Total other expenses	136,290	118,029

Payment to Auditor

	31 March 2021	31 March 2020
	(Amount in Rs.)	(Amount in Rs.)
As Auditor:		
Audit fees	118,000	118,000
	118,000	118,000

NOTE 9: DEFERRED TAX AND CURRENT TAX

	31 March 2021	31 March 2020
	(Amount in Rs.)	(Amount in Rs.)
Deferred tax asset		
Total losses for the current year	136,290	118,029
Total losses for the current year on which deferred tax asset has not been recognised	(136,290)	(118,029)
	-	-

In the current year, the Company has not recognised deferred tax asset on carried forward losses as the Company is not likely to generate taxable income in the foreseeable future. These unused tax losses can be carried forward as per the provisions of Income Tax Act, 1961.

The tax expense is computed as per the provisions of Income Tax Act, 1961. Statutory tax rate of 22% (March 31, 2020: 22%) is applicable to the Company for the financial year ended 31 March 2021. Considering loss incurred during the year and lack of probability of future recovery of losses incurred, tax expense for the year is Nil.

NOTE 10: EARNINGS/(LOSS) PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year. The following table shows the computation of basic EPS and diluted EPS:

	31 March 2021	31 March 2020
	(Amount in Rs.)	(Amount in Rs.)
Profit/(Loss) for the year	(136,290)	(118,029)
Weighted average number of equity shares for calculating basic and diluted EPS	50,000	50,000
Earnings/(Loss) per share		
Basic and diluted (on nominal value of Rs. 10 per share) Rupees/share	(2.73)	(2.36)

NOTE 11: FAIR VALUE MEASUREMENT

All the financial instruments of the Company are classified at amortised cost. The management assessed that cash and cash equivalents and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and therefore carrying value of these instruments is considered to be the same as fair value.

NOTE 12: RELATED PARTY TRANSACTIONS

A. Name of related party and nature of relationships:

Related parties where control exists:

Sterlite Technologies Limited	Immediate Holding Company
Twinstar Overseas Limited, Mauritius	Intermediate Holding Company
Volcan Investments Limited, Bahamas	Ultimate Holding Company

Key Management Personnel (KMP)

Ankit Agarwal - Director
Kattunga Srinivasa Rao - Director (from March 5, 2021)
Mihir Modi - Director (from March 5, 2021)
Anupam Jindal - Director (up to September 11, 2020)
Navin Sharma - Director (from September 23, 2020 up to March 5, 2021)
Venkatesh Murthy - Director (from September 19, 2019 up to March 5, 2021)
Pramod Kumar Srivastava - Director (up to September 24, 2019)

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

Sterlite Technologies Limited

Particulars	Relationship	31 March 2021	31 March 2020
Reimbursement of expenses	Holding Company	7,500	10,000

C. Outstanding balances:

Particulars	Relationship	31 March 2021	31 March 2020
Sterlite Technologies Limited	Holding Company	17,500	10,000

STL DIGITAL LIMITED (FORMERLY "STERLITE TECH CONNECTIVITY SOLUTIONS LIMITED")
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 13: FINANCIAL RISK MANAGEMENT

The Company does not have any operations. The Company's principal financial assets include cash and cash equivalents and financial liabilities are in the nature of trade payables.

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Risk Management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are approved and reviewed regularly by Board of Directors to reflect changes in market conditions and the Company's activities. Currently the Company has adopted the risk management policies as defined by its Holding Company to manage risk's relevant to it's operations. Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's maximum exposure to credit risk for the components of the balance sheet of 31 March 2021 and 31 March 2020 is the carrying amount of each class of financial assets.

Credit risk

The Company is exposed to credit risk arising from financial assets in the nature of cash and cash equivalents. The management manages credit risk by keeping its funds with reputed financial institutions with good credit rating. The Company has adopted risk management policies as defined by its Holding Company to manage risks relevant to its operations.

Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Company requires funds both for short term operational needs as well as for long term investment programs mainly in growth 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 operations, which in addition to the available cash and cash equivalents which 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 60 - 90 days. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Less than 3 months	Total
As at March 31, 2021		
Trade payables	118,000	118,000
	118,000	118,000
As at March 31, 2020		
Trade payables	118,000	118,000
	118,000	118,000

NOTE 14: DETAILS OF DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

There are no Micro enterprises and Small enterprises, to whom the Company owes dues, which are outstanding as at March 31, 2021 and March 31, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been indentified on the basis of information available with the Company.

NOTE 15: CRITICAL ESTIMATES AND JUDGEMENTS

The Company presently does not have any operations and therefore no critical estimates and judgements are involved in preparation of financial statements.

NOTE 16: SEGMENT REPORTING

The Company does not have any operations and therefore there are no reportable segments.

NOTE 17: CAPITAL AND OTHER COMMITMENTS

There is no Capital and Other Commitments during the Current year (31 March 2020: NIL).

NOTE 18: CONTINGENT LIABILITIES

There is no contingent liabilities outstanding as at the end of the year (31 March 2020: NIL).

NOTE 19: IMPACT OF COVID-19 PANDEMIC

The outbreak of Coronavirus (COVID - 19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated the impact of pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements.

NOTE 20: PREVIOUS YEAR FIGURES

Previous year numbers have been regrouped wherever necessary.

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

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For and on behalf of the Board of Directors of
STL Digital Limited

Disha Maheshwari
Partner
Membership Number: 110159

Ankit Agarwal **Mihir Modi**
Director Director
DIN: 03344202 DIN: 03401046

Place : Pune
Date : August __, 2021

Place : Pune
Date : August __, 2021

STERLITE TELESYSTEMS LIMITED
BALANCE SHEET AS AT 31 MARCH 2021

(All amounts are in Rs. Lakhs, unless otherwise stated)

	Note	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Financial assets			
Other non-current financial assets	4	-	0.56
Deferred tax assets (net)	5	-	-
Total Non Current Assets		-	0.56
Current assets			
Financial assets			
Cash and cash equivalents	6	0.63	0.63
Other current assets	7	0.53	0.43
Total Current Assets		1.16	1.06
Total Assets		1.16	1.62
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	2.00	2.00
Other Equity			
Reserves & Surplus	9	(20.38)	(16.73)
Total Equity		(18.38)	(14.73)
Current liabilities			
Financial liabilities			
Borrowings	10	16.49	14.74
Trade Payables			
-Total outstanding dues of micro enterprises & small enterprises	11	-	-
-Total outstanding dues of creditors other than above		3.05	1.47
Other Current Liabilities	12	-	0.14
Total Current Liabilities		19.54	16.35
Total Liabilities		19.54	16.35
Total Equity & Liabilities		1.16	1.62
Summary of significant accounting policies	2		

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

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N/N500016

Disha Maheshwari

Partner

Membership Number: 110159

Place: Pune

Date:

**For and on behalf of the board of directors of
Sterlite Telesystems Limited**

K S Rao

Director

DIN: 00022533

Place: Gurugram

Date:

Pankaj Aggarwal

Director

DIN: 08889216

Place: Pune

Date:

STERLITE TELESYSTEMS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. Lakhs, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
INCOME		
Revenue from operations	-	-
Other Income	-	3.04
Total Income (I)	-	3.04
EXPENSES		
Other expense	2.40	4.67
Total Expense (II)	2.40	4.67
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)	(2.40)	(1.63)
Finance costs	1.25	1.10
Profit/(Loss) before tax	(3.65)	(2.73)
Tax expense:		
Current tax	-	-
Deferred tax	-	-
Total tax expenses	-	-
Profit/(Loss) for the year	(3.65)	(2.73)
<u>Other comprehensive income</u>		
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(3.65)	(2.73)
Earnings per equity share		
Basic and diluted		
Computed on the basis of Profit/(Loss) for the year	(18.25)	(13.65)
Summary of significant accounting policies	2	

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

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For and on behalf of the board of
Sterlite Telesystems Limited

Disha Maheshwari
Partner
Membership Number: 110159

K S Rao
Director
DIN: 00022533

Pankaj Aggarwal
Director
DIN: 08889216

Place: Pune
Date:

Place: Gurugram
Date:

Place: Pune
Date:

STERLITE TELESYSTEMS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. Lakhs, unless otherwise stated)

A. Equity share capital

Equity shares of Rs. 10 each issued, subscribed and fully paid

	Note	No. in lacs	Amount
As at 1 April 2019	8	0.20	2.00
Changes in equity share capital		-	-
As at March 31, 2020	8	0.20	2.00
Changes in equity share capital		-	-
As at 31 March 2021		0.20	2.00

B. Other equity

Particulars	Retained earnings
Balance at 1 April 2019	(14.00)
Profit/(Loss) for the year	(2.73)
Other comprehensive income for the year	-
Balance at 31 March 2020	(16.73)
Profit/(Loss) for the year	(3.65)
Other comprehensive income for the year	-
Balance at 31 March 2021	(20.38)

Summary of significant accounting policies 2

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

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
 Firm Registration No: 012754N/N500016

**For and on behalf of the board of directors of
 Sterlite Telesystems Limited**

Disha Maheshwari
 Partner
 Membership Number: 110159

K S Rao
 Director
 DIN: 00022533

Pankaj Aggarwal
 Director
 DIN: 08889216

Place: Pune
 Date:

Place: Gurugram
 Date:

Place: Pune
 Date:

STERLITE TELESYSTEMS LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. Lakhs, unless otherwise stated)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
A. Operating activities			
Profit/(Loss) before tax		(3.65)	(2.73)
Adjustments to reconcile profit before tax to net cash flows			
Provision for doubtful receivables		0.56	
Finance costs	15	1.25	1.10
Operating profit/(Loss) before working capital changes		(1.84)	(1.63)
Working capital adjustments:			
(Decrease)/increase in trade payables	11	1.58	(1.91)
(Decrease)/increase in other liabilities	12	(0.14)	(0.18)
(Decrease)/increase in other current financial liabilities		-	-
Decrease/(increase) in other non- current financial assets	4	-	3.03
Decrease/(increase) in other assets	7	(0.10)	(0.03)
Change in working capital		1.34	0.91
Cash generated from/(used in) operations		(0.50)	(0.72)
Income tax paid (net of refunds)		-	-
Net cash generated from/(used in) operating activities		(0.50)	(0.72)
B. Investing activities			
Net cash generated from/(used in) investing activities		-	-
C. Financing activities			
Proceeds from borrowings from Holding Company	10	0.50	0.71
Net cash generated from/(used in) financing activities		0.50	0.71
Net increase/(decrease in) cash and cash equivalents		-	(0.01)
Cash and cash equivalents as at beginning of year	6	0.63	0.64
Cash and cash equivalents as at year end	6	0.63	0.63
Components of cash and cash equivalents:			
		March 31, 2021	March 31, 2020
Balances with banks:			
On current accounts		0.63	0.63
Cash in hand			
Total cash and cash equivalents		0.63	0.63

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Disha Maheshwari
Partner
Membership Number: 110159

Place: Pune
Date:

**For and on behalf of the board of directors of
Sterlite Telesystems Limited**

K S Rao
Director
DIN: 00022533

Pankaj Aggarwal
Director
DIN: 08889216

Place: Gurugram
Date:

Place: Pune
Date:

Sterlite Telesystems Limited

Notes to financial statements for the year ended 31 March 2021

1. Corporate information

Sterlite Telesystems Limited (the 'Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company was incorporated on 21 September 2015 and is a wholly owned subsidiary of Speedon Network Limited. The registered office of the Company is located at Survey No. 68/1, Rakholi Village, Madhuban Dam Road, Silvassa, Dadra And Nagar Haveli – 396230.

2. Significant accounting policies

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

2.1 Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

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

Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and services and the time between the acquisitions of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

Sterlite Telesystems Limited

Notes to financial statements for the year ended 31 March 2021

a) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the Company's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on the basis of underlying transactions .

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

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

b) Revenue from contracts with customers

Ind AS 115 "Revenue from contracts with customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an Company's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

The five-step process that must be applied before revenue can be recognised:

- (i) identify contracts with customers
- (ii) identify the separate performance obligation
- (iii) determine the transaction price of the contract
- (iv) allocate the transaction price to each of the separate performance obligations, and
- (v) recognise the revenue as each performance obligation is satisfied.

Sterlite Telesystems Limited

Notes to financial statements for the year ended 31 March 2021

Revenue recognition policy

The Company accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Company identifies distinct performance obligations in each contract. . If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

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

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

If none of the criteria above are met, the Company recognized revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

The Company estimates variable consideration using expected value method of probability-weighted values at an amount to which it expects to be entitled. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

c) Other Income

1. Interest income

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

2. Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Sterlite Telesystems Limited

Notes to financial statements for the year ended 31 March 2021

d) Income Taxes

Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, only if it is probable that future taxable profits will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference 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 income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

Current and Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to income taxes levied by

Sterlite Telesystems Limited

Notes to financial statements for the year ended 31 March 2021

same taxation authorities on either same taxable entity or different taxable entities which intend either to settle the current tax assets and tax liabilities on a net basis or to realise the asset and settle the liability simultaneously.

e) Leases

As a Lessee:

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

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

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

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

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

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

f) Provisions and contingent liabilities

General

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, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as interest expense.

Sterlite Telesystems Limited

Notes to financial statements for the year ended 31 March 2021

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

g) Investment and Other Financial assets

i) Classification:

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

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

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

ii) Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income

Sterlite Telesystems Limited

Notes to financial statements for the year ended 31 March 2021

from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented as a separate line item in the financial statements.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented as separate line item in the financial statements.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;
- b) Lease receivables under Ind AS 116
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

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

Sterlite Telesystems Limited

Notes to financial statements for the year ended 31 March 2021

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 Company 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 Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an Company 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 Company is required to use the remaining contractual term of the financial instrument;
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

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

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

iv) Derecognition of financial asset

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the

Sterlite Telesystems Limited

Notes to financial statements for the year ended 31 March 2021

financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

h) Financial liabilities

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Sterlite Telesystems Limited

Notes to financial statements for the year ended 31 March 2021

Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that 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 the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) Cash and cash equivalents

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

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

j) Dividend

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

k) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

l) Presentation of EBITDA

The Company presents Earnings before interest, tax, depreciation and amortisation ('EBITDA') in the statement of profit or loss; this is not specifically required by Ind AS 1. The term EBITDA is not defined in Ind AS. Ind AS compliant Schedule III allows companies to present line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the company's financial position or performance.

Accordingly, the Company has elected to present EBITDA as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from

Sterlite Telesystems Limited

Notes to financial statements for the year ended 31 March 2021

continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance income, finance costs and tax expense

m) Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless there is significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

n) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

o) Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors has been identified as being the CODM.

p) Rounding of amount

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs per the requirement of Schedule III, unless otherwise stated.

2.2 Recent Accounting Pronouncements

Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 with effect from April 1, 2021. There are key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015.

These changes are applicable for the financial year commencing from April 1, 2021 thus management will evaluate disclosures required and applicable to Financial statements issued in respect of accounting years commencing on or after April 1st, 2021.

Sterlite Telesystems Limited
Notes to financial statements for the year ended 31 March 2021

NOTE 3: CRITICAL ESTIMATES AND JUDGEMENTS

The company presently does not have any operations and therefore management has not observed any critical estimates and judgements in preparation of financial statements

NOTE 4: OTHER FINANCIAL ASSETS

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Non-current		
Other Receivables	0.56	0.56
Less : Provisions for doubtful receivables	(0.56)	-
Total other non-current financial assets	-	0.56

NOTE 5: DEFERRED TAX

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Deferred tax asset		
Total losses for the current period	3.65	2.73
Total losses for the current period on which deferred tax asset has not been recognised	(3.65)	(2.73)
Net deferred tax assets	-	-

In the current year, the company has not recognised deferred tax asset on carried forward losses as the company is not likely to generate taxable income in the foreseeable future. These unused tax losses can be carried forward as per the provisions of Income Tax Act, 1961.

Considering loss incurred during the year and lack of probability of future recovery of losses incurred, tax expense for the year is Nil.

NOTE 6: CASH AND CASH EQUIVALENTS

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Balances with banks:		
In current accounts	0.63	0.63
	0.63	0.63

NOTE 7: OTHER ASSETS

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Current		
Balances with government authorities	0.53	0.43
Total other current assets	0.53	0.43

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STERLITE TELESYSTEMS LIMITED**Notes to financial statements for the year ended 31 March 2021**

(All amounts are in Rs. Lakhs, unless otherwise stated)

NOTE 8: SHARE CAPITAL

	<u>31 March 2021</u>	<u>31 March 2020</u>
Authorised Equity Share Capital 50,000 (31 March 2020: 50,000) Equity Shares of Rs.10 each	<u>5.00</u>	<u>5.00</u>
20,000 (31 March 2020: 20,000) Equity Shares of Rs.10 each fully paid up	2.00	2.00
Total issued, subscribed and fully paid-up share capital	<u>2.00</u>	<u>2.00</u>

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

	<u>31 March 2021</u>		<u>31 March 2020</u>	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
At the beginning of the year	0.20	2.00	0.20	2.00
Changes in Equity Share Capital	-	-	-	-
Outstanding as at end of the year	<u>0.20</u>	<u>2.00</u>	<u>0.20</u>	<u>2.00</u>

b. Terms/rights attached to equity shares

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

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

	<u>31 March 2021</u>		<u>31 March 2020</u>	
	<u>Number</u>	<u>% holding</u>	<u>Number</u>	<u>% holding</u>
<u>Immediate holding company</u>				
Speedon Network Limited and its nominee shareholders	0.20	100%	0.20	100%

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

	<u>31 March 2021</u>		<u>31 March 2020</u>	
	<u>Number</u>	<u>% holding</u>	<u>Number</u>	<u>% holding</u>
Speedon Network Limited and its nominee shareholders	0.20	100%	0.20	100%

Note : The Company has not issued bonus shares or shares without consideration in last 5 years.

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Sterlite Telesystems Limited
Notes to financial statements for the year ended 31 March 2021

NOTE 9 : OTHER EQUITY

	31 March 2021	31 March 2020
	(Rs. in lakhs)	(Rs. in lakhs)
Retained earnings		
Opening balance	(16.73)	(14.00)
Add: Net profit/(Loss) for the year	(3.65)	(2.73)
Total retained earnings	(20.38)	(16.73)
Total other equity	(20.38)	(16.73)

NOTE 10: BORROWINGS

	31 March 2021	31 March 2020
	(Rs. in lakhs)	(Rs. in lakhs)
Current borrowings		
Loan from holding company (Refer Note 18*)	16.49	14.74
	16.49	14.74
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	16.49	14.74
Net Amount	16.49	14.74

*The Company has obtained unsecured borrowing from holding company which carries interest at 8% p.a. (2019-20 : 8% p.a.) and the same is repayable on demand based on availability of funds with the company.

Net debt reconciliation

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

	31 March 2021	31 March 2020
	(Rs. in lakhs)	(Rs. in lakhs)
Particulars		
Cash and cash equivalents	0.63	0.63
Current borrowings (including interest accrued and due)	(16.49)	(14.74)
Net Debt	(15.86)	(14.11)

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Sterlite Telesystems Limited
Notes to financial statements for the year ended 31 March 2021

NOTE 11: TRADE PAYABLES

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Total outstanding dues of micro enterprises & small enterprises (refer note 22)	-	-
Total outstanding dues of creditors other than micro enterprises & small enterprises		
- Trade payable to related parties	1.48	-
- Others	1.57	1.47
	3.05	1.47

NOTE 12: OTHER CURRENT LIABILITIES

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Current		
Statutory Dues payable	-	0.14
Total current liabilities	-	0.14

NOTE 13: OTHER INCOME

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Liabilities written back	-	3.04
Total Other Income	-	3.04

NOTE 14: OTHER EXPENSES

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Legal & professional fees	0.11	0.63
Rent expenses	0.73	-
Payment to Auditor (refer details below)	1.00	1.00
Provision for doubtful receivables	0.56	-
Miscellaneous Expenses	-	3.04
Total other expenses	2.40	4.67

Payment to Auditor

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
As Auditor:		
Statutory Audit	1.00	1.00
	1.00	1.00

NOTE 15: FINANCE COST

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Interest on loan from holding company (Refer Note No:18)	1.25	1.10
Total finance cost	1.25	1.10

NOTE 16: EARNINGS/(LOSS) PER SHARE

The following table shows the computation of basic and diluted earnings/(loss) per share:

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Earnings/(Loss) for the year	(3.65)	(2.73)
Weighted average number of equity shares in calculating basic and diluted earnings/(loss) per share	20,000	20,000
Earnings/(Loss) per share		
Basic & Diluted (on nominal value of Rs. 10 per share) (Rupees/share)	(18.25)	(13.65)

Sterlite Telesystems Limited
Notes to financial statements for the year ended 31 March 2021

NOTE 17: FAIR VALUE MEASUREMENT

The management assessed that cash and cash equivalents, other assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Therefore, carrying value of these instruments is considered to be same as the fair value. These instruments are included in level 3.

NOTE 18: RELATED PARTY TRANSACTIONS

A. Name of related party and nature of relationships:

Related parties where control exists:

Speedon Network Limited ('SNL')	Immediate holding company
Sterlite Technologies Limited	Intermediate holding company
Twinstar Overseas Limited, Mauritius	Intermediate holding company
Volcan Investments Limited, Bahamas	Ultimate holding company

Key Management Personnel (KMP)

K S Rao (Non-Executive Director)
Alok Mahapatra (Non-Executive Director) (from May 2, 2020)
Pankaj Aggarwal (Non-Executive Director) (from September 11, 2020)
Anupam Jindal (Non-Executive Director) (up to September 11, 2020)
Pankaj Priyadarshi (Non-Executive Director) (up to May 5, 2020)

B. Transactions with related parties during the period and outstanding balances are as follows:

	Transactions with Speedon Network Limited	
	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Transactions during the year		
Interest expense	1.25	1.10
Loans taken	0.50	0.82
Closing balances as at year end		
Loan payable	16.49	14.74
Trade Payable	1.48	-

NOTE 19: FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES

The Company does not have any operations. The Company's principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's cash flow requirements. The Company's principal financial assets include cash and other financial assets.

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Risk Management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are approved and reviewed regularly by Board to reflect changes in market conditions and the Company's activities.

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

All the transactions are with the banks and financial institutions with good credit rating. The Company's maximum exposure to credit risk for the components of the balance sheet of 31 March 2021 and 31 March 2020 is the carrying amount of each class of financial assets

The Company has obtained unsecured borrowing from holding company and the same is repayable on demand based on availability of funds with the company

Credit risk

The company is exposed to credit risk arising from financial assets in the nature of cash and equivalents. The management manages credit risk by keeping its funds with reputed financial institutions with good credit rating.

Sterlite Telesystems Limited
Notes to financial statements for the year ended 31 March 2021

Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting in 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 liquidity needs. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities through obtaining funds from holding company on need basis. The carrying amounts are assumed to be reasonable approximation of fair value. The company manages its liquidity risk through financial support from its Holding Company. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	(Rs. in lakhs)		
	Payable on demand	Less than 3 months	Total
As at March 31, 2021			
Trade Payables	-	3.05	3.05
	-	3.05	3.05
As at March 31, 2020			
Trade Payables	-	1.47	1.47
	-	1.47	1.47

The Company has obtained unsecured borrowing from holding company and the same is repayable on demand based on availability of funds with the company.

NOTE 20: CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the shareholders of the Company. The primary objective of the Company's capital management is to ensure that it maintains adequate funds to meet its obligations. The Company relies on loan provided by the Holding Company.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and/or 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 less cash and cash equivalents.

Particulars	As at March 31, 2021 (Rs. in lakhs)	As at March 31, 2020 (Rs. in lakhs)
	Interest bearing loans and borrowings	16.49
Less: Cash and cash equivalents	(0.63)	(0.63)
Net debt	15.86	14.11
Equity share capital	2.00	2.00
Other equity	(20.38)	(16.73)
Total capital	(18.38)	(14.73)
Capital and net debt	(2.52)	(0.63)
Gearing ratio	-630.34%	-2253.38%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

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Sterlite Telesystems Limited

Notes to financial statements for the year ended 31 March 2021

NOTE 21: CAPITAL AND OTHER COMMITMENTS

There is no Capital and Other Commitments during the Current year (31 March 2020: NIL).

NOTE 22: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

There are no Micro and Small enterprises, to whom the Company owes dues, which are outstanding as at March 31, 2021 and March 31, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

NOTE 23: CONTINGENT LIABILITIES

There is no contingent liabilities outstanding as at the end of the year (31 March 2020: NIL).

NOTE 24: SEGMENT REPORTING

The company does not have any operations and therefore there are no reportable segments.

NOTE 25: IMPACT OF COVID - 19 PANDEMIC

The outbreak of Coronavirus (COVID - 19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated the impact of pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements.

NOTE 25: PREVIOUS YEAR FIGURES

Previous year figures have been reclassified to confirm to this year's classification.

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

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N/N500016

**For and on behalf of the board of directors of
Sterlite Telesystems Limited**

Disha Maheshwari

Partner

Membership Number: 110159

Place: Pune

Date:

K S Rao

Director

DIN: 00022533

Place: Gurugram

Date:

Pankaj Aggarwal

Director

DIN: 08889216

Place: Pune

Date:

STERLITE INNOVATIVE SOLUTIONS LIMITED
BALANCE SHEET AS AT 31 MARCH 2021

	Note	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
ASSETS			
Non-current assets			
Deferred tax assets (net)	11	-	-
Current assets			
Financial assets			
Cash and cash equivalents	3	180,441	282,038
		180,441	282,038
Total Assets		180,441	282,038
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4	500,000	500,000
Other Equity	5	(445,059)	(355,962)
Total Equity		54,941	144,038
Current liabilities			
Financial liabilities			
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	6	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	6	118,000	138,000
Other Current Liabilities	7	7,500	-
Total Liabilities		125,500	138,000
Total Equity & Liabilities		180,441	282,038
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

**For and on behalf of the board of directors of
Sterlite Innovative Solutions Limited**

Disha Maheshwari
Partner
Membership Number: 110159

Ankit Agarwal
Director
DIN: 03344202

Navin Sharma
Director
DIN: 08891322

Place : Pune
Date : ____ 2021

Place : Pune
Date : ____ 2021

STERLITE INNOVATIVE SOLUTIONS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

	Note	Year ended March 31, 2021 (Amount in Rs.)	Year ended March 31, 2020 (Amount in Rs.)
INCOME			
Revenue from operations	8	17,640	-
Other Income	9	20,000	-
Total Income (I)		37,640	-
EXPENSES			
Other expenses	10	126,737	118,192
Total Expense (II)		126,737	118,192
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		(89,097)	(118,192)
Finance costs		-	-
Loss before tax		(89,097)	(118,192)
Tax expense:			
Current tax		-	-
Deferred tax	11	-	-
Total tax expenses		-	-
Loss for the year		(89,097)	(118,192)
<u>Other comprehensive income</u>			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income		(89,097)	(118,192)
Earnings per equity share			
Basic and diluted	12		
Computed on the basis of profit /(loss) for the year		(1.78)	(2.36)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

**For and on behalf of the board of directors of
Sterlite Innovative Solutions Limited**

Disha Maheshwari
Partner
Membership Number: 110159

Ankit Agarwal
Director
DIN: 03344202

Navin Sharma
Director
DIN: 08891322

Place : Pune
Date : ____ 2021

Place : Pune
Date : ____ 2021

STERLITE INNOVATIVE SOLUTIONS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

A. Equity share capital

Equity Shares of Rs.10 each issued, subscribed and fully paid-up

	Numbers	Amount in Rs.
As at 1 April 2019	50,000	500,000
Changes in equity share capital	-	-
As at March 31, 2020	50,000	500,000
Changes in equity share capital	-	-
As at 31 March 2021	50,000	500,000

B. Other equity

	<u>Retained earnings</u> <u>(Amount in Rs.)</u>
Balance at 1 April 2019	(237,770)
Profit/(Loss) for the year	(118,192)
Other comprehensive income for the year	-
Balance at 31 March 2020	(355,962)
Profit/(Loss) for the year	(89,097)
Other comprehensive income for the year	-
Balance at 31 March 2021	(445,059)

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For and on behalf of the board of directors
of Sterlite Innovative Solutions Limited

Disha Maheshwari
Partner
Membership Number: 110159

Ankit Agarwal
Director
DIN: 03344202

Navin Sharma
Director
DIN: 08891322

Place : Pune
Date : ____ 2021

Place : Pune
Date : ____ 2021

STERLITE INNOVATIVE SOLUTIONS LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Note	Year ended March 31, 2021 (Amount in Rs.)	Year ended March 31, 2020 (Amount in Rs.)
A. Operating activities			
Loss before tax		(89,097)	(118,192)
Adjustments to reconcile profit before tax to net cash flows			
Liabilities no longer required written back	9	(20,000)	-
Operating profit/(loss) before working capital changes		(109,097)	(118,192)
Increase/(Decrease) in trade payables	6	-	(78,000)
Increase/(Decrease) in other liabilities	7	7,500	(20,000)
Change in working capital		7,500	(98,000)
Cash generated from/(used in) operations		(101,597)	(216,192)
Income tax paid (net of refunds)		-	-
Net cash generated from/(used in) operating activities		(101,597)	(216,192)
B. Investing activities			
Net cash generated from/(used in) investing activities		-	-
C. Financing activities			
Net cash generated from/(used in) financing activities		-	-
Net increase/(decrease in) cash and cash equivalents		(101,597)	(216,192)
Cash and cash equivalents as at beginning of year	3	282,038	498,230
Cash and cash equivalents as at year end	3	180,441	282,038
Components of cash and cash equivalents:			
		March 31, 2021	March 31, 2020
Balances with banks:			
On current accounts		180,441	282,038
Total cash and cash equivalents		180,441	282,038

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

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP

Firm Registration No: 012754N/N500016

Disha Maheshwari

Partner

Membership Number: 110159

Place : Pune

Date : ____ 2021

For and on behalf of the board of directors

of Sterlite Innovative Solutions Limited

Ankit Agarwal

Director

DIN: 03344202

Place : Pune

Date : ____ 2021

Navin Sharma

Director

DIN: 08891322

Sterlite Innovative Solutions Limited

Notes to financial statements for the year ended 31 March 2021

1. Corporate information

Sterlite Innovative Solutions Limited (the 'Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company was incorporated on 01 June 2018 and is a wholly owned subsidiary of Sterlite Technologies Limited. The registered office of the Company is located at E 2, MIDC, Waluj, Aurangabad, Maharashtra – 431133. The company carries on the business of technology innovation through design, developments and varieties of state-of-the-art internet enabled solutions, advertising activities for E-Commerce organisations.

2. Significant accounting policies

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

2.1 Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

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

Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and services and the time between the acquisitions of assets for processing and their realisation in cash and cash equivalents, the company has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

Sterlite Innovative Solutions Limited

Notes to financial statements for the year ended 31 March 2021

a) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the Company's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on the basis of underlying transactions .

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

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

b) Revenue from contracts with customers

Ind AS 115 "Revenue from contracts with customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an Company's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

The five-step process that must be applied before revenue can be recognised:

- (i) identify contracts with customers
- (ii) identify the separate performance obligation
- (iii) determine the transaction price of the contract
- (iv) allocate the transaction price to each of the separate performance obligations, and
- (v) recognise the revenue as each performance obligation is satisfied.

Sterlite Innovative Solutions Limited

Notes to financial statements for the year ended 31 March 2021

Revenue recognition policy

The Company accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Company identifies distinct performance obligations in each contract. . If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

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

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

If none of the criteria above are met, the Company recognized revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

The Company estimates variable consideration using expected value method of probability-weighted values at an amount to which it expects to be entitled. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

c) Other Income

1. Interest income

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

2. Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Sterlite Innovative Solutions Limited

Notes to financial statements for the year ended 31 March 2021

d) Income Taxes

Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, only if it is probable that future taxable profits will be available to utilise those temporary differences and losses.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference 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 income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

Current and Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to income taxes levied by

Sterlite Innovative Solutions Limited

Notes to financial statements for the year ended 31 March 2021

same taxation authorities on either same taxable Company or different taxable entities which intend either to settle the current tax assets and tax liabilities on a net basis or to realise the asset and settle the liability simultaneously.

e) Leases

As a Lessee:

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

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

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

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

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

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

f) Provisions and contingent liabilities

General

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, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as interest expense.

Sterlite Innovative Solutions Limited

Notes to financial statements for the year ended 31 March 2021

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

g) Investment and Other Financial assets

i) Classification:

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

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

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

ii) Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income

Sterlite Innovative Solutions Limited

Notes to financial statements for the year ended 31 March 2021

from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented as a separate line item in the financial statements.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented as separate line item in the financial statements.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;
- b) Lease receivables under Ind AS 116
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

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

Sterlite Innovative Solutions Limited

Notes to financial statements for the year ended 31 March 2021

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 Company 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 Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, a Company 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 Company is required to use the remaining contractual term of the financial instrument;
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

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

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

iv) Derecognition of financial asset

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the

Sterlite Innovative Solutions Limited

Notes to financial statements for the year ended 31 March 2021

financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

h) Financial liabilities

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not

Sterlite Innovative Solutions Limited

Notes to financial statements for the year ended 31 March 2021

classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that 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 the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) Cash and cash equivalents

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

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

j) Dividend

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

k) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

l) Presentation of EBITDA

The Company presents Earnings before interest, tax, depreciation and amortisation ('EBITDA') in the statement of profit or loss; this is not specifically required by Ind AS 1. The term EBITDA is not defined in Ind AS. Ind AS compliant Schedule III allows companies to present line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Company's financial position or performance.

Sterlite Innovative Solutions Limited

Notes to financial statements for the year ended 31 March 2021

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

m) Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless there is significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

n) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

o) Segment Reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors has been identified as being the CODM.

p) Rounding of amount

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Indian Rupees per the requirement of Schedule III, unless otherwise stated.

2.3 Recent accounting pronouncements

Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 with effect from April 1, 2021. There are key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015.

These changes are applicable for the financial year commencing from April 1, 2021 thus management will evaluate disclosures required and applicable to Financial statements issued in respect of accounting years commencing on or after April 1st, 2021.

Sterlite Innovative Solutions Limited
Notes to financial statements for the year ended 31 March 2021

NOTE 3: CASH AND CASH EQUIVALENTS

	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Balances with banks:		
On current accounts	180,441	282,038
	180,441	282,038

NOTE 4: SHARE CAPITAL

	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Authorised share capital	500,000	500,000
50,000 Equity Shares of Rs.10 each	500,000	500,000
Issued, subscribed and fully paid-up share capital		
50,000 Equity Shares of Rs.10 each fully paid up	500,000	500,000
Total issued, subscribed and fully paid-up share capital	500,000	500,000

a. Movements in equity share capital

	Number of shares	Amount in Rs
As at 1 April 2019	50,000	500,000
Changes during the year	-	-
As at 31 March 2020	50,000	500,000
Changes during the year	-	-
As at 31 March 2021	50,000	500,000

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares of the company held by holding company

	31 March 2021	
Immediate holding company	Numbers	% holding
Sterlite Technologies Limited and its nominee shareholders	50,000	100%
	31 March 2020	
Immediate holding company	Numbers	% holding
Sterlite Technologies Limited and its nominee shareholders	50,000	100%

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

	31 March 2021	
	Numbers	% holding
Sterlite Technologies Limited and its nominee shareholders	50,000	100%
	31 March 2020	
	Numbers	% holding
Sterlite Technologies Limited and its nominee shareholders	50,000	100%

Note : The Company has not issued bonus shares or shares without consideration in last 5 years.

NOTE 5: OTHER EQUITY

	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Retained earnings		
Opening balance	(355,962)	(237,770)
Net loss for the year	(89,097)	(118,192)
Total retained earnings	(445,059)	(355,962)
Total other equity	(445,059)	(355,962)

Sterlite Innovative Solutions Limited
Notes to financial statements for the year ended 31 March 2021

NOTE 6: TRADE PAYABLE

	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Total outstanding dues of creditors other than micro enterprises & small enterprises (refer note 16)	-	-
Total outstanding dues of creditors other than micro & small enterprises	118,000	138,000
Total Trade Payable	118,000	138,000

NOTE 7: OTHER LIABILITIES

	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Current		
Statutory Dues Payable	7,500	-
Total Trade Payable	7,500	-

NOTE 8 : REVENUE FROM OPERATIONS

	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Revenue from Sale of services	17,640	-
Total Revenue from operations	17,640	-

NOTE 9 : OTHER INCOME

	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Liabilities no longer required written back	20,000	-
Total Other Income	20,000	-

NOTE 10 : OTHER EXPENSES

	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Payment to auditor (refer note below)	118,000	118,000
Legal & professional Charges	8,730	-
Bank charges	7	192
	126,737	118,192

Payment to auditor

	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
As auditor:		
Statutory Audit	118,000	118,000
	118,000	118,000

NOTE 11: DEFERRED TAX

	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Deferred tax asset		
Total losses for the current year	89,097	118,192
Total losses for the current year on which deferred tax asset has not been recognised	(89,097)	(118,192)
	-	-

In the current year, the company has not recognised deferred tax asset on carried forward losses as the company is not likely to generate taxable income in the foreseeable future. These unused tax losses can be carried forward as per the provisions of Income Tax Act, 1961. Considering loss incurred during the year and lack of probability of future recovery of losses incurred, tax expense for the year is Nil.

Sterlite Innovative Solutions Limited
Notes to financial statements for the year ended 31 March 2021

NOTE 12: EARNINGS/(LOSS) PER SHARE

The following table shows the computation of basic and diluted earnings/(loss) per share:

	31 March 2021	31 March 2020
	(Amount in Rs.)	(Amount in Rs.)
Earnings/(Loss) for the year	(89,097)	(118,192)
Weighted average number of equity shares in calculating basic and diluted earnings/(loss) per share	50,000	50,000
Earnings/(Loss) per share		
Basic and diluted (on nominal value of Rs. 10 per share) (Rupees/share)	(1.78)	(2.36)

NOTE 13: FAIR VALUE MEASUREMENT

All the financial instruments of the entity are classified at amortised cost. The management assessed that cash and cash equivalents and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and therefore carrying value of these instruments is considered to be the same as fair value. These instruments are included in level 3.

NOTE 14: RELATED PARTY TRANSACTIONS

A. Name of related party and nature of relationships:

Related parties where control exists:

Sterlite Technologies Limited	Intermediate holding company
Twinstar Overseas Limited, Mauritius	Intermediate holding company
Volcan Investments Limited, Bahamas	Ultimate holding company

Key management personnel (KMP)

Navin Sharma - Non executive Director (from September 23, 2020)
Anupam Jindal - Non executive Director (up to September 11, 2020)
Ankit Agrawal - Non executive Director (from June 1, 2018)
Shweta Agarwal - Non executive Director (from June 1, 2018)

B. Transactions with related parties during the year and outstanding balances are as follows:

There are no transactions during the year with related parties.

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Sterlite Innovative Solutions Limited
Notes to financial statements for the year ended 31 March 2021

NOTE 15: FINANCIAL RISK MANAGEMENT

The Company does not have any operations. The Company's principal financial assets include cash and cash equivalents and financial liabilities in the nature of trade payables.

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Risk Management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are approved and reviewed regularly by Board to reflect changes in market conditions and the Company's activities. Currently the Company has adopted the risk management policies as defined by its holding company to manage risk's relevant to its operations. Management has overall responsibility for the establishment and oversight of the Company's risk management framework. In performing its operating, investing and financing activities, the Company is exposed to the Credit Risk, Liquidity Risk.

All the transactions are with the banks and financial institutions with good credit rating. The Company's maximum exposure to credit risk for the components of the balance sheet of 31 March 2021 and 31 March 2020 is the carrying amount of each class of financial assets.

Credit risk

The company is exposed to credit risk arising from financial assets in the nature of cash and equivalents. The management manages credit risk by keeping its funds with reputed financial institutions with good credit rating.

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 liquidity needs. The Company requires funds both for short term operational needs as well as for long term investment programs mainly in growth 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 which will provide liquidity. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Less than 3 months	Total
As at March 31, 2021		
Trade Payable	118,000	118,000
	118,000	118,000
As at March 31, 2020		
Trade Payable	138,000	138,000
	138,000	138,000

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Sterlite Innovative Solutions Limited
Notes to financial statements for the year ended 31 March 2021

NOTE 16: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

There are no Micro and Small enterprises, to whom the Company owes dues, which are outstanding as at March 31, 2021 and March 31, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been indentified on the basis of information available with the company.

NOTE 17: CRITICAL ESTIMATES AND JUDGEMENTS

The company presently does not have any operations and therefore no critical estimates and judgements are involved in preparation of financial statements.

NOTE 18: SEGMENT REPORTING

The company does not have any operations and therefore there are no reportable segments.

NOTE 19: CAPITAL AND OTHER COMMITMENTS

There is no Capital and Other Commitments during the Current year (31 March 2020: NIL).

NOTE 20: CONTINGENT LIABILITIES

There is no contingent liabilities outstanding as at the end of the year (31 March 2020: NIL).

NOTE 21: IMPACT OF COVID-19 PANDEMIC

The outbreak of Coronavirus (COVID - 19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated the impact of pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements.

NOTE 22: PREVIOUS YEAR FIGURES

Previous year figures have been reclassified to confirm to this year's classification.

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

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For and on behalf of the board of directors of
Sterlite Innovative Solutions Limited

Disha Maheshwari
Partner
Membership Number: 110159

Ankit Agarwal
Director
DIN: 03344202

Navin Sharma
Director
DIN: 08891322

Place : Pune
Date : ____ 2021

Place : Pune
Date : ____ 2021

STERLITE TECH CABLES SOLUTIONS LIMITED
BALANCE SHEET AS AT 31 MARCH 2021

(All amounts are in Rs. lakhs, unless otherwise stated)

	Note	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant & equipment	4	2,521.04	-
Capital work-in progress	4	7,199.81	-
Other non-current assets	5	166.75	-
		9,887.60	-
Current assets			
Inventories	6	110.07	-
Financial assets			
Cash and cash equivalents	8	9.08	425.00
Loans	7	83.32	-
Other current assets	5	1,233.01	-
		1,435.48	425.00
Total Assets		11,323.08	425.00
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	5.00	5.00
Other Equity	10	(180.68)	(1.27)
Total Equity		(175.68)	3.73
Non current liabilities			
Financial liabilities			
Deferred tax liabilities	12	179.00	-
		179.00	-
Current liabilities			
Financial liabilities			
Borrowing	11	6,599.77	420.09
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises (refer note 27)	13	201.43	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	13	171.66	1.18
Other Financial liabilities	14	4,334.17	-
Other current liabilities	15	12.73	-
		11,319.76	421.27
Total Liabilities		11,498.76	421.27
Total Equity & Liabilities		11,323.08	425.00
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For and on behalf of the board of directors of
Sterlite Tech Cables Solutions Limited

Disha Maheshwari
Partner
Membership Number: 110159

Venkatesh Murthy **Navin Sharma**
Director Director
DIN: 08567907 DIN: 08891322

Place : Pune
Date : August __, 2021

Place : Pune
Date : August __, 2021

STERLITE TECH CABLES SOLUTIONS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. lakhs, unless otherwise stated)

	Note	For the year ended 31 March 2021	From 20 November 2019 to 31 March 2020
INCOME			
Revenue from Operations	-	-	-
Other Income	16	130.79	-
Total Income (I)		130.79	-
EXPENSES			
Cost of Raw Material Consumed	17	4.79	-
(Increase) / decrease in inventories of work-in-progress	17	(6.60)	-
Other expenses	18	132.66	1.18
Total Expense (II)		130.85	1.18
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		(0.06)	(1.18)
Depreciation and Amortisation Expense	19	0.11	-
Finance costs	20	0.24	0.09
Loss before tax		(0.41)	(1.27)
Tax expense:			
Current tax		-	-
Deferred tax	21	179.00	-
Total tax expenses		179.00	-
Loss for the period		(179.41)	(1.27)
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the period, net of tax		(179.41)	(1.27)
Earnings per equity share			
Basic and diluted			
Computed on the basis of profit for the period	23	(358.82)	(2.54)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

**For and on behalf of the board of directors of
Sterlite Tech Cables Solutions Limited**

Disha Maheshwari
Partner
Membership Number :110159

Venkatesh Murthy **Navin Sharma**
Director Director
DIN: 08567907 DIN: 08891322

Place : Pune
Date : August _ , 2021

Place : Pune
Date : August _ , 2021

STERLITE TECH CABLES SOLUTIONS LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. lakhs, unless otherwise stated)

	Note	31 March 2021	31 March 2020
A. Operating activities			
Loss before tax		(0.41)	(1.27)
Finance costs	20	0.24	0.09
Operating loss before working capital changes		(0.17)	(1.18)
Working capital adjustments:			
Increase in trade payables		371.91	1.18
Increase in other current liabilities		12.73	-
(Increase) in inventories		(110.07)	-
(Increase) in short-term loans		(83.32)	-
(Increase) in other non-current financial assets		(164.07)	-
(Increase) in other assets		(1,233.01)	-
Cash generated from operations		(1,206.00)	0.00
Income tax paid (net of refunds)		-	-
Net cash flow from operating activities		(1,206.00)	0.00
B. Investing activities			
Purchase of property, plant and equipments		(5,489.35)	-
Net cash flow from investing activities		(5,489.35)	-
C. Financing activities			
Proceeds/(repayment) of short term borrowings (net)		6,179.68	4.20
Interest paid		(0.24)	(0.09)
Proceeds from issue of equity shares		-	0.05
Net cash flow from financing activities		6,179.44	4.16
Net increase cash and cash equivalents		(515.90)	4.16
Cash and cash equivalents as at beginning of period	8	4.16	-
Cash and cash equivalents as at period end	8	(511.74)	4.16
Components of cash and cash equivalents:			
		31 March 2021	31 March 2020
Balances with banks:			
On current accounts	8	9.08	425.00
Total cash and cash equivalents		9.08	425.00

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For and on behalf of the board of directors of
Sterlite Tech Cables Solutions Limited

Disha Maheshwari
Partner
Membership Number :110159

Venkatesh Murthy
Director
DIN: 08567907

Navin Sharma
Director
DIN: 08891322

Place: Pune
Date : August _ , 2021

Place: Pune
Date : August _ , 2021

STERLITE TECH CABLES SOLUTIONS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2021
(All amounts are in Rs. lakhs, unless otherwise stated)

A. Equity share capital

	<u>Nos in lakhs</u>	<u>Rs. in lakhs</u>
At April 01, 2019	-	-
Issue of share capital	0.50	5.00
At March 31, 2020	0.50	5.00
Issue of share capital	-	-
At 31 March 2021	0.50	5.00

B. Other equity

	<u>Retained earnings</u>
	<u>Rs. in lakhs</u>
At April 01, 2019	-
Loss for the period	(1.27)
At March 31, 2020	(1.27)
Loss for the period	(179.41)
At 31 March 2021	(180.68)

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For and on behalf of the board of directors of
Sterlite Tech Cables Solutions Limited

Disha Maheshwari
Partner
Membership Number :110159

Venkatesh Murthy **Navin Sharma**
Director Director
DIN: 08567907 DIN: 08891322

Place : Pune
Date : August __ , 2021

Place : Pune
Date : August __ , 2021

Sterlite Tech Cables Solutions Limited

Notes to financial statements for the year ended 31 March 2021

1. Corporate information

Sterlite Tech Cables Solutions Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered office of the Company is located at E-2, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra, India. The Company is primarily engaged in the business of Manufacturing of Optical Fiber Cable.

The Company is a wholly owned subsidiary of Sterlite Technologies Limited.

2. Significant accounting policies

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

2.1 Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

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

The Ind AS financial statements are presented in Indian Rupees in Lakhs, except when otherwise indicated.

Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and the time between the acquisitions of assets for processing and their realisation in cash and cash equivalents, the company has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

a) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on the basis of underlying transactions.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

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

b) Revenue from contracts with customers

Ind AS 115 Revenue from contracts with customers standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The five-step process that must be applied before revenue can be recognised:

- (i) identify contracts with customers
- (ii) identify the separate performance obligation
- (iii) determine the transaction price of the contract
- (iv) allocate the transaction price to each of the separate performance obligations, and
- (v) recognise the revenue as each performance obligation is satisfied.

Revenue recognition policy

The Company accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Company identifies distinct performance obligations in each contract. If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product in the contract.

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

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

Sterlite Tech Cables Solutions Limited

Notes to financial statements for the year ended 31 March 2021

If none of the criteria above are met, the Company recognizes revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

c) Other Income

1. Interest income

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

2. Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

3. Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss.

d) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are recognised in books by deducting the grant from the carrying amount of the asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

e) Income Taxes

Current income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

Sterlite Tech Cables Solutions Limited

Notes to financial statements for the year ended 31 March 2021

- In respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

Current and Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to income taxes levied by same taxation authorities on either same taxable entity or different taxable entities which intend either to settle the current tax assets and tax liabilities on a net basis or to realise the asset and settle the liability simultaneously.

f) Property, plant and equipment

Freehold land and Capital work in progress are carried at historical costs. All other items of property, plant and equipment are stated at historical cost, net of accumulated depreciation and accumulated impairment losses, if any. Such historical cost includes the cost of replacing part of the property, plant and equipment and borrowing costs if the recognition criteria are met. When significant parts of the property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. No decommissioning liabilities are expected or be incurred on the assets of plant and equipment.

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

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

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. The Company, depreciates the assets over estimated useful lives based on useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Sterlite Tech Cables Solutions Limited

Notes to financial statements for the year ended 31 March 2021

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

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

g) Leases

As a Lessee:

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

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

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

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

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

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

h) Inventories

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

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

i) Provisions and contingent liabilities

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are not recognised for future operating losses.

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Notes to financial statements for the year ended 31 March 2021

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

j) Investments and Other Financial assets

i) Classification & Recognition:

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

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

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

ii) Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented as a separate line item in the financial statement.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest

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Notes to financial statements for the year ended 31 March 2021

income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented as separate lines item in the financial statements.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Equity investment in subsidiaries, associates and joint venture are carried at historical cost as per the accounting policy choice given by Ind AS 27.

The Company makes investments in certain joint ventures and associates with the objective to generate growth in the medium term and with identified exit strategies. Such investments are managed on a fair value basis. The company has elected to measure investments in such joint ventures and associates in accordance with Ind AS 109.

iii) Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;
- b) Lease receivables under Ind AS 116
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

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

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

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

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

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial

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Notes to financial statements for the year ended 31 March 2021

instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument;

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

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

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

iv) Derecognition of financial asset

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

k) Financial liabilities

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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Notes to financial statements for the year ended 31 March 2021

l) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

m) Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of an asset that 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 the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

n) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

o) Cash and cash equivalents

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

For the purpose of presentation in the statement of cash flows, cash and cash equivalents consist of cash and cash equivalent, as defined above, net of outstanding bank overdrafts if they are considered an integral part of the Company's cash management.

p) Dividends

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Sterlite Tech Cables Solutions Limited

Notes to financial statements for the year ended 31 March 2021

q) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

r) Presentation of EBITDA

The Company presents Earnings before interest, tax, depreciation and amortisation ('EBITDA') in the statement of profit or loss; this is not specifically required by Ind AS 1. The term EBITDA is not defined in Ind AS. Ind AS compliant Schedule III allows companies to present line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the company's financial position or performance.

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

s) Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless there is significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

t) Rounding of amount

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.2 Recent Accounting Pronouncements

Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 with effect from April 1, 2021. There are key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015.

These changes are applicable for the financial year commencing from April 1, 2021 thus management will evaluate disclosures required and applicable to Financial statements issued in respect of accounting years commencing on or after April 1st, 2021.

STERLITE TECH CABLES SOLUTIONS LIMITED

Notes to financial statements for the year ended 31 March 2021

NOTE 3 : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the use of accounting estimates. Management also needs to exercise judgement in applying the company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

STERLITE TECH CABLES SOLUTIONS LIMITED
Notes to financial statements for the year ended 31 March 2021

NOTE 4: PROPERTY, PLANT & EQUIPMENT

	(Amount in Rs lakhs)			
	Right of Use asset	Freehold land	Building's	Total
Cost				
At 1 April 2019	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
At 31 March 2020	-	-	-	-
Additions	1,058.75	522.68	939.72	2,521.15
Disposals	-	-	-	-
At 31 March 2021	1,058.75	522.68	939.72	2,521.15
Depreciation, Amortization & Impairment				
At 1 April 2019	-	-	-	-
Charge for the year	-	-	-	-
At 31 March 2020	-	-	-	-
Charge for the year	-	-	0.11	0.11
At 31 March 2021	-	-	0.11	0.11
Net Book Value				
At 31 March 2021	1,058.75	522.68	939.61	2,521.04
At 31 March 2020	-	-	-	-

Movement in Capital work in progress	(Amount in Rs lakhs)
Opening balance as at 01 April 2020	-
Additions during the year	8,560.77
Borrowing cost capitalised during the year	101.44
Transfers during the year	(1,462.40)
Closing balance as at 31 March 2021	7,199.81

Capital work in progress mainly comprises amounts pertaining to plant & machinery.

STERLITE TECH CABLES SOLUTIONS LIMITED
Notes to financial statements for the year ended 31 March 2021

NOTE 4: PROPERTY, PLANT & EQUIPMENT (Continued)

Details of Lease:

The note provides information for leases where the company is a lessee. The company has taken land on lease.

(i) Assets recognised in balance sheet

The balance sheet shows the following amount relating to lease:

Particulars	31 March 2021	31 March 2020
Right of use assets - Gross assets		
Leasehold land	1,058.75	-
Total	1,058.75	-

Additions to the right of use assets during the year is Rs. 1,059.75 lakhs. (31 March 2020 - Rs. Nil lakhs)

Particulars	31 March 2021	31 March 2020
Lease liabilities*		
Non-current	-	-
Current	-	-
Total	-	-

* There is no lease liability for the Leasehold land, as the Lease has been acquired by payment of consideration at inception of lease.

(ii) Amount recognised in the statement of profit & loss

Particulars	31 March 2021	31 March 2020
Depreciation charge on right of use assets		
Leasehold land	-	-
Total	-	-

Particulars	Note no.	31 March 2021	31 March 2020
Interest expenses (included in finance cost)	-	-	-
Expenses related to short term leases, low value assets (included as rent in other expenses)	-	-	-

STERLITE TECH CABLES SOLUTIONS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. lakhs, unless otherwise stated)

NOTE 5: OTHER ASSETS

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Non-current		
Capital advances (Unsecured, considered good)	166.47	-
Advance income tax, including TDS (net of provisions)	0.28	-
Total other non-current assets	166.75	-
Current		
Balance with govt authorities	1,229.18	-
Other advances	3.83	-
Total other current assets	1,233.01	-

NOTE 6: INVENTORIES

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Raw materials	89.02	-
Work-in-progress	6.60	-
Stores, spares, packing materials and others	14.45	-
	110.07	-

NOTE 7: LOANS

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Current		
Security deposits	83.32	-
Total current loans	83.32	-

NOTE 8: CASH AND CASH EQUIVALENTS

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Balances with banks:		
On current accounts	9.08	425.00
	9.08	425.00

NOTE 9: SHARE CAPITAL

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Authorised share capital		
50,000 Equity Shares of Rs.10 each	5.00	5.00
	5.00	5.00
Issued, subscribed and fully paid-up share capital		
50,000 Equity Shares of Rs.10 each fully paid up	5.00	5.00
Total issued, subscribed and fully paid-up share capital	5.00	5.00

a. Movement in equity share capital

	31 March 2021		31 March 2020	
	Nos in lakhs	Rs. in lakhs	Nos in lakhs	Rs. in lakhs
At the beginning of the year	0.50	5.00		
Issued during the period	-	-	0.50	5.00
Outstanding at the end of the year	0.50	5.00	0.50	5.00

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares of the company held by holding company

	31 March 2021		31 March 2020	
	Numbers	% holding	Numbers	% holding
Immediate holding company				
Sterlite Technologies Limited and its nominee shareholders	0.50	100%	0.50	100%

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

	31 March 2021		31 March 2020	
	Numbers	% holding	Numbers	% holding
Sterlite Technologies Limited and its nominee shareholders	0.50	100%	0.50	100%

NOTE 10 : OTHER EQUITY

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Retained earnings		
Opening balance	(1.27)	-
Add: Net loss for the period	(179.41)	(1.27)
Total retained earnings	(180.68)	(1.27)
Total other equity	(180.68)	(1.27)

NOTE 11: BORROWINGS

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Current borrowings		
Loans from related party (unsecured)	6,599.77	420.09
Total Current borrowings	6,599.77	420.09

Loan from related party includes unsecured loan received from Sterlite Technologies Limited which is repayable on demand. This loan carries interest of RBI Repo rate + 4 % p.a.

STERLITE TECH CABLES SOLUTIONS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. lakhs, unless otherwise stated)

NOTE 12: DEFERRED TAX LIABILITIES

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Deferred tax liability		
Property, Plant & Equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	179.00	-
	179.00	-
Reconciliation of deferred tax liability / deferred tax asset		
	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Opening deferred tax liability, net	-	-
Deferred tax (credit) / charge recorded in statement of profit and loss	179.00	-
Closing deferred tax liability, net	179.00	-

The major components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

Deferred Tax		
Relating to origination and reversal of temporary differences	179.00	-
	179.00	-

NOTE 13: TRADE PAYABLES

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Total outstanding dues of micro enterprises & small enterprises (refer note 27)	201.43	-
Total outstanding dues of creditors other than micro & small enterprises	171.66	1.18
	373.09	1.18

NOTE 14: OTHER FINANCIAL LIABILITIES

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Payables for purchase of property, plant and equipment (current)	1,115.30	-
Payables for purchase of property, plant and equipment (current) - to related parties	3,117.87	-
Interest accrued on Loan	101.00	-
Total current financial liabilities	4,334.17	-

NOTE 15: OTHER CURRENT LIABILITIES

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Indirect taxes payable	0.18	-
Statutory dues payable	11.37	-
Others	1.18	-
Total other current liabilities	12.73	-

NOTE 16: Other Income

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Scrap Sales	130.79	-
Other Income	130.79	-

NOTE 17: COST OF RAW MATERIAL CONSUMED

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Inventory at the beginning of the year (refer note 06)	-	-
Add : Purchases	93.81	-
Less : Inventory at the end of the year (refer note 06)	89.02	-
Cost of raw material consumed	4.79	-

(Increase)/ decrease in inventories

Opening inventories		
Work-in-progress	-	-
Closing inventories		
Work-in-progress	6.60	-
	6.60	-
(Increase) / decrease in inventories	(6.60)	-

NOTE 18: OTHER EXPENSES

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
House Keeping Charges	36.93	-
Security Services Charges	32.75	-
Manpower Cost	20.47	-
Power Charges	8.07	-
Rent Expenses	2.40	-
Labour Charges	1.44	-
Miscellaneous Expenses	29.60	-
Payment to auditor	1.00	1.18
Total other expenses	132.66	1.18

Payment to auditor

As auditor:		
Audit fee (including limited reviews and audit of consolidated financial statements)	1.00	1.18
	1.00	1.18

STERLITE TECH CABLES SOLUTIONS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. lakhs, unless otherwise stated)

NOTE 19: DEPRECIATION AND AMORTISATION EXPENSES

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Depreciation of tangible assets	0.11	0.09
Total Depreciation and Amortisation Expense	0.11	0.09

NOTE 20: FINANCE COST

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Interest	0.24	0.09
Total finance cost	0.24	0.09

* During the year, the Company has capitalised borrowing costs of Rs. 101 lakhs (31 March 2020: Rs. Nil) incurred on the borrowings specifically availed for expansion of production facilities.

NOTE 21: TAX EXPENSES

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Current tax	-	-
Deferred tax	179.00	-
Total Tax Expenses	179.00	-

NOTE 22: EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the period attributable to equity holders by the weighted average number of Equity shares outstanding during the period. The following tables shows the computation of basic EPS:

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Loss for the period	(179.41)	(1.27)
Weighted average number of equity shares in calculating basic and diluted EPS	0.50	0.50
Earnings per share		
Basic and diluted (on nominal value of Rs. 10 per share) Rupees/share	(358.82)	(2.54)

NOTE 23: FAIR VALUE MEASUREMENT

All the financial instruments of the entity are classified at amortised cost. The management assessed that loans, cash and cash equivalents, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and therefore carrying value of these instruments is considered to be the same as fair value.

NOTE 24: RELATED PARTY TRANSACTIONS

A. Name of related party and nature of relationships:

Related parties where control exists:

Sterlite Technologies Limited	Immediate holding company
Twinstar Overseas Limited, Mauritius	Intermediate holding company
Volcan Investments Limited, Bahamas	Ultimate holding company

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

Metallurgica Bresciana S.p.A	Fellow Subsidiary
------------------------------	-------------------

Key management personnel (KMP)

Anupam Jindal - Director (Upto 11 September 2020)
Navin Sharma - Director (From 23 September 2020)
Ankit Agarwal - Director
Venkatesh Murthy - Director

B. Transactions with related parties during the period and outstanding balances are as follows:

Transactions with Sterlite Technologies Limited

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Transactions during the period		
Issue of equity share capital	-	5.00
Loan received	6,179.77	420.00
Interest payable	101.44	0.09
Purchase of Property, Plant and Equipment	3,116.26	-
Purchase of Goods & Services	53.66	-
Manpower Cost	20.47	-
Outstanding Balances		
Loans/advance payables	6,599.77	420.09
Interest accrued on Loan	101.00	-
Payables for Property, Plant and Equipment	3,170.00	-

Transactions with Metallurgica Bresciana S.p.A

	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
Transactions during the period		
Purchase of Property, Plant and Equipment	661.43	-
Outstanding Balances		
Payables for Property, Plant and Equipment	1.61	-

STERLITE TECH CABLES SOLUTIONS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. lakhs, unless otherwise stated)

NOTE 25: FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents and short-term deposits that arise 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 Risk Management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are approved and reviewed regularly by Board to reflect changes in market conditions and the Company's activities. Currently the Company has adopted the risk management policies as defined by its holding company to manage risk's relevant to its operations. Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

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 for the company comprises of interest rate risk. Financial instruments affected by market risk mainly including borrowings.

The sensitivity analysis in the following sections relate to the position as at 31 March 2021 and 31 March 2020.

Interest rate risk

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

As at the end of the year, the Company had the following variable rate borrowings outstanding :

	31 March 2021	31 March 2020
	(Rs. in lakhs)	(Rs. in lakhs)
Variable rate borrowings	6,599.77	420.09

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

Particulars	Increase/ Decrease in Basis Points	Effect on profit before tax / pre-tax equity Decrease/ (increase)
31 March 2021		
Base Rate	+50	33.00
Base Rate	-50	(33.00)
31 March 2020		
Base Rate	+50	2.10
Base Rate	-50	(2.10)

The Company's maximum exposure to credit risk for the components of the balance sheet of 31 March 2021 and 31 March 2020 is the carrying amount of each class of financial assets.

Credit risk

The company is exposed to credit risk arising from financial assets in the nature of cash and cash equivalents. The management manages credit risk by keeping its funds with reputed financial institutions with good credit rating. The company has adopted risk management policies as defined by its holding company to manage risks relevant to its operations.

Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Company requires funds both for short term operational needs as well as for long term investment programs mainly in growth 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 which 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 60 - 90 days. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	Total
As at March 31, 2021				
Short Term Borrowings	6,599.77	-	-	6,599.77
Trade payables	-	373.09	-	373.09
Payables for purchase of Property, plant and equipments	-	9.74	1,105.56	1,115.30
	6,599.77	382.83	1,105.56	8,088.16
As at March 31, 2020				
Short Term Borrowings	420.09	-	-	420.09
Trade payables	-	1.18	-	1.18
	420.09	1.18	-	421.27

STERLITE TECH CABLES SOLUTIONS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. lakhs, unless otherwise stated)

NOTE 26: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

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

Particulars	31 March 2021 (Rs. in lakhs)	31 March 2020 (Rs. in lakhs)
(a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to supplier*	201.43	-
Interest amount due to supplier	-	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

* includes amount of Rs. 201.43 lakhs (31 March 2020: Rs. Nil) outstanding, but not overdue to micro, small and medium enterprises as on 31 March 2021. Amount due to Micro and Small enterprises are disclosed on the basis of information available with the Company regarding status of the suppliers as Micro and Small enterprises.

NOTE 27: Capital and other Commitments

Estimated amount of contracts remaining to be executed on capital account and not recognised for (Net of Advance of Rs. 166 lakhs as on 31st March 2021 and Rs. Nil lakhs as on 31st March 2020) are Rs 3,329 lakhs (31 March 2020 Rs Nil lakhs)

NOTE 28: CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the shareholders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating, healthy capital ratios in order to support its business and maximise shareholder value and optimal capital structure to reduce cost of capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and/or 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 less cash and cash equivalents.

Particulars	As at March 31, 2021 (Rs. in lakhs)	As at March 31, 2020 (Rs. in lakhs)
Interest bearing loans and borrowings	6,599.77	420.09
Less: Cash and cash equivalents	(9.08)	(425.00)
Net debt	6,590.69	(4.91)
Equity share capital	5.00	5.00
Other equity	(180.68)	(1.27)
Total capital	(175.68)	3.73
Capital and net debt	6,415.01	(1.18)
Gearing ratio	102.74%	415.93%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

NOTE 29: CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates. Management also needs to exercise judgement in applying the company's accounting policies. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reliable and relevant under the circumstances. There are no critical estimates and judgements involved in preparation of financial statements.

NOTE 30: SEGMENT REPORTING

The Company has only one operating segment which is Connectivity Solutions. Accordingly, separate segment information is not required to be disclosed. The Company does not have any reportable geographical segments. All non current operating assets of the Company are located in India.

NOTE 31: IMPACT OF COVID-19 PANDEMIC

The outbreak of Coronavirus (COVID - 19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated the impact of pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements.

NOTE 32: PREVIOUS PERIOD FIGURES

Previous year figures have been reclassified to conform to this year's classification.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For and on behalf of the board of directors of
Sterlite Tech Cables Solutions Limited

Disha Maheshwari
Partner
Membership Number :110159

Venkatesh Murthy **Navin Sharma**
Director Director
DIN: 08567907 DIN: 08891322

Place : Pune
Date : August _ , 2021

Place : Pune
Date : August _ , 2021

Sterlite Technologies Pty Limited		
Balance Sheet	Note	STL_Australia AUD
ASSETS		
Non-current assets		
Financial Assets		
Trade Receivables	8	-
Loans	9	-
Other Non Current Financial Assets	10	-
Other Non-current assets	11	-
Current assets		
Inventories	13	237,513.66
Financial Assets		
Investments	12	-
Trade receivables	8	361,812.00
Loans	9	-
Cash and cash equivalents	14A	58,921.05
Other Bank balances	14B	-
Other Current Financial Assets	10	-
Other current assets	11	5,778.98
Total current assets		664,025.69
Total Assets		664,025.69
EQUITY AND LIABILITIES		
Equity		
Equity share capital	15	100.00
Other Equity	16	20,832.52
Total Equity		20,932.52
Liabilities		
Non-current liabilities		
Financial Liabilities		
Borrowings	17	100,131.95
Other financial liabilities	18	-
Employee benefit obligations	21	-
Provisions	22	-
Other non-current liabilities	24	-
Deferred tax liabilities (Net)	20	-
Total Non-Current liabilities		100,131.95
Current liabilities		
Financial Liabilities		
Borrowings	17	-
Trade payables	23	533,541.68
Other financial liabilities	18	-
Other current liabilities	24	9,419.54
Employee benefit obligations	21	-
Provisions	22	-
Total current liabilities		542,961.22
Total Equity and Liabilities		664,025.69

Sterlite Technologies Pty Limited		
Profit and Loss	Note	STL_Australia AUD
INCOME		
Revenue from operations	24	328,920.00
Other Income	25	-
Total Income (I)		328,920.00
EXPENSES		
Cost of raw material and components consumed	27	535,641.68
Purchase of traded goods		-
Changes in inventories of finished goods, work-in-progress, traded goods and construction work-in-progress		(237,513.66)
Employee benefits expense	28	-
Other expenses	29	2,202.00
Total Expense (II)		300,330.02
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		28,589.98
Depreciation and amortisation expense	30	-
Finance costs	31	437.92
Finance Income	26	-
Profit before tax & share in profit/(loss) of joint venture		28,152.06
Profit before tax		28,152.06
Tax expense		
Current tax		7,319.54
Deferred tax	34	-
Total tax expenses		7,319.54
Profit from continuing operations		20,832.52
Profit for the year		20,832.52
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Exchange differences on translation of foreign operations		
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		
Other comprehensive income for the year, net of tax		
Total comprehensive income for the year, net of tax		20,832.52
Profit for the year		
Attributable to:		
Owners of the company		20,832.52
		20,832.52
Other comprehensive income		
Attributable to:		
Owners of the company		
Total comprehensive income		
Attributable to:		
Owners of the company		20,832.52
		20,832.52
Total comprehensive income attributable to owners:		
Continuing Operations		20,832.52



财务报表审计报告



防伪编码: 31000138202172364J

被审计单位名称: 司德雷特(上海)贸易有限公司

审计期间: 2020年1月1日-2020年12月31日

报告文号: 2021-HFD-d0021

签字注册会计师: 陶勇

注师编号: 310000422259

签字注册会计师: 朱浩荣

注师编号: 310000420001

事务所名称: 上海宏大东亚会计师事务所有限公司

事务所电话: 021-33011277

事务所地址: 上海市四川中路681号6楼

业务报告使用防伪编码仅说明该业务报告是由依法批准设立的会计师事务所出具，业务报告的法律主体是出具报告的会计师事务所及签字注册会计师。
报告防伪信息查询网址：<https://zxfw.shcpa.org.cn/codeSearch>



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司德雷特（上海）贸易有限公司

二零二零年度

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上海宏大东亚会计师事务所有限公司

SHANGHAI HDDY CERTIFIED PUBLIC ACCOUNTANTS CO.,LTD.

地址：中国 上海 四川中路681号6楼 邮编：200002 电话：33011277转 传真：63567207

审计报告

Audit Report

司德雷特（上海）贸易有限公司：

STERLITE (SHANGHAI) TRADING COMPANY LIMITED:

沪宏会师报字(2021)第 HFD-d0021 号

一、 审计意见

I. Audit Opinion

我们审计了后附的司德雷特（上海）贸易有限公司（以下简称“贵公司”）财务报表，包括 2020 年 12 月 31 日的资产负债表，2020 年度的利润表、现金流量表和所有者权益变动表以及财务报表附注。

We have audited the attached financial statements of STERLITE (SHANGHAI) TRADING COMPANY LIMITED (hereinafter referred to as "Your Company"), including balance sheet as of December 31, 2020, 2020 annual income statement, cash flow statement, statement of change in equity and notes to financial statements.

我们认为，后附的财务报表在所有重大方面按照企业会计准则的规定编制，公允反映了贵公司 2020 年 12 月 31 日的财务状况以及 2020 年度的经营成果和现金流量。

In our opinion, attached financial statements are prepared in accordance with the Accounting Standard for Business Enterprises in all material respects. They fairly and honestly represent Your Company's financial position as of December 31, 2020 and the operation results and the cash flow for the year 2020.



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二、形成审计意见的基础

II. Basis for Audit Opinion

我们按照中国注册会计师审计准则的规定执行了审计工作。审计报告的“注册会计师对财务报表审计的责任”部分进一步阐述了我们在这些准则下的责任。按照中国注册会计师职业道德守则，我们独立于贵公司，并履行了职业道德方面的其他责任。我们相信，我们获取的审计证据是充分、适当的，为发表审计意见提供了基础。

We conducted our audit in accordance with Chinese Standards on Auditing for Certified Public Accountants. 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 Chinese Code of Professional Conduct and Ethics for Certified Public Accountants and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

三、管理层对财务报表的责任

III Responsibility of Management for the Financial Statements .

贵公司管理层负责按照企业会计准则的规定编制财务报表，使其实现公允反映，并设计、执行和维护必要的内部控制，以使财务报表不存在由于舞弊或错误导致的重大错报。

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Chinese Enterprise Accounting Standards and Enterprise Accounting Principles, and for devising, implementing and maintaining a system of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

在编制财务报表时，管理层负责评估贵公司的持续经营能力，披露与持续经营相关的事项，并运用持续经营假设，除非管理层计划清算贵公司、终止运营或别无其他现实的选择。

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.

四、注册会计师对财务报表审计的责任

IV Auditor's Responsibility for the Audit of the Financial Statements

我们的目标是对财务报表整体是否不存在由于舞弊或错误导致的重大错报获取合理保证，并出具包含审计意见的审计报告。合理保证是高水平的保证，但并不能保证按照审计准则执行的审计在某一重大错报存在时总能发现，错报可能由于舞弊或错误导致，如果合理预期错报单独或汇总起来可能影响财务报表使用者依据财务报表作出的经济决策，则通常认为错报是重大的。

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 Chinese Certified Public Accountants Standards of Auditing 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 into on the basis of these financial statements.

在按照审计准则执行审计工作的过程中，我们运用职业判断，并保持职业怀疑。同时，我们也执行以下工作：

As part of an audit in accordance with Chinese Certified Public Accountants Standards of Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

(1) 识别和评估由于舞弊或错误导致的财务报表重大错报风险，设计和实施审计程序以应对这些风险，并获取充分、适当的审计证据，作为发表审计意见的基础。由于舞弊可能涉及串通、伪造、故意遗漏、虚假陈述或凌驾于内部控制之上，未能发现由于舞弊导致的重大错报的风险高于未能发现由于错误导致的重大错报的风险。

(1) 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.

(2) 了解与审计相关的内部控制，以设计恰当的审计程序，但目的并非对内部控制的有效性发表意见。

(2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company' s internal control.

(3) 评价管理层选用会计政策的恰当性和作出会计估计及相关披露的合理性。

(3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(4) 对管理层使用持续经营假设的恰当性得出结论。同时，根据获取的审计证据，就可能导致对贵公司持续经营能力产生重大疑虑的事项或情况是否存在重大不确定性得出结论。如果我们得出结论认为存在重大不确定性，审计准则要求我们在审计报告中提请报表使用者注意财务报表中的相关披露；如果披露不充分，我们应当发表非无保留意见。我们的结论基于截至审计报告日可获得的信息。然而，未来的事项或情况可能导致贵公司不能持续经营。

(4) 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

(5) 评价财务报表的总体列报、结构和内容（包括披露），并评价财务报表是否公允反映相关交易和事项。

(5) 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.

上海宏大东亚会计师事务所有限公司
Shanghai HODY Certified Public
Accountants Co., Ltd



中国注册会计师
Certified Public Accountant



中国注册会计师
Certified Public Accountant



中国.上海
Shanghai China

二〇二一年一月十六日
January 16th, 2021



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资产负债表

编制单位：司德雷特（上海）贸易有限公司

2020年12月31日

会企01表

单位：元

资 产	期末余额	期初余额	负债和所有者权益（或股东权益）	期末余额	期初余额
流动资产：	—	—	流动负债：	—	—
货币资金	158,798.62	6,502.64	短期借款		
以公允价值计量且其变动计入当期损益的金融资产			以公允价值计量且其变动计入当期损益的金融负债		
衍生金融资产			衍生金融负债		
应收票据			应付票据		
应收账款	870,231.97	424,055.00	应付账款	55,461.44	
预付款项	10,078.21	35,343.00	预收款项		
其他应收款	25,406.45	325,384.38	应付职工薪酬	714,977.00	308,311.00
存货			应交税费	31,134.36	11,688.44
持有待售资产			其他应付款		
一年内到期的非流动资产			持有待售负债		
其他流动资产			一年内到期的非流动负债		
流动资产合计	1,064,515.25	791,285.02	其他流动负债		
非流动资产：	—	—	流动负债合计	801,572.80	319,999.44
可供出售金融资产			非流动负债：	—	—
持有至到期投资			长期借款		
长期应收款			应付债券		
长期股权投资			其中：优先股		
投资性房地产			永续债		
固定资产	3,729.25	4,404.67	长期应付款		
在建工程			预计负债		
生产性生物资产			递延收益		
油气资产			递延所得税负债		
无形资产			其他非流动负债		
开发支出			非流动负债合计	-	-
商誉			负债合计	801,572.80	319,999.44
长期待摊费用			所有者权益（或股东权益）：	—	—
递延所得税资产			实收资本（或股本）	1,486,672.40	1,486,672.40
其他非流动资产			其他权益工具		
非流动资产合计	3,729.25	4,404.67	其中：优先股		
			永续债		
			资本公积		
			减：库存股		
			其他综合收益		
			盈余公积		
			未分配利润	-1,220,000.70	-1,010,982.15
			所有者权益（或股东权益）合计	266,671.70	475,690.25
资产总计	1,068,244.50	795,689.69	负债和所有者权益（或股东权益）总计	1,068,244.50	795,689.69



扫描全能王 创建

利润表

编制单位：司德雷特（上海）贸易有限公司

2020年度

单位：元

项 目	本期金额	上期金额
一、营业收入	4,805,736.06	5,327,612.88
减：营业成本	78,973.44	751,377.87
税金及附加	31,073.72	29,714.02
销售费用		
管理费用	4,861,881.19	5,084,983.73
研发费用		
财务费用	4,117.82	-3,917.54
其中：利息费用		
利息收入		
资产减值损失		
加：其他收益	2,424.80	
投资收益（损失以“-”号填列）		
其中：对联营企业和合营企业的投资收益		
公允价值变动收益（损失以“-”号填列）		
资产处置收益（损失以“-”号填列）	-	-
二、营业利润（亏损以“-”号填列）	-167,885.31	-534,545.20
加：营业外收入	828.32	6,689.33
减：营业外支出	41,961.56	
三、利润总额（亏损总额以“-”号填列）	-209,018.55	-527,855.87
减：所得税费用	-	12,152.80
四、净利润（净亏损以“-”号填列）	-209,018.55	-540,008.67
（一）持续经营净利润		
（二）终止经营净利润		
五、其他综合收益的税后净额	-	-
（一）不能重分类进损益的其他综合收益		
1.重新计量设定受益计划变动额		
2.权益法下不能转损益的其他综合收益		
.....		
（二）将重分类进损益的其他综合收益	-	-
1.权益法下可转损益的其他综合收益		
2.可供出售金融资产公允价值变动损益		
3.持有至到期投资重分类为可供出售金融资产损益		
4.现金流量套期损益的有效部分		
5.外币财务报表折算差额		
.....		
六、综合收益总额	-209,018.55	-540,008.67
七、每股收益：		
（一）基本每股收益		
（二）稀释每股收益		



扫描全能王 创建

现金流量表

编制单位：司德雷特（上海）贸易有限公司

2020年度

会企03表
单位：元

项 目	2020年度	
	本期金额	上期金额
一、经营活动产生的现金流量：		
销售商品、提供劳务收到的现金	5,198,756.91	5,499,338.02
收到的税费返还		
收到其他与经营活动有关的现金	1,089,003.40	1,038,855.66
经营活动现金流入小计	6,287,760.31	6,538,193.68
购买商品、接受劳务支付的现金	824,697.57	747,465.95
支付给职工以及为职工支付的现金	3,781,288.59	4,985,469.80
支付的各项税费	432,598.66	324,688.34
支付其他与经营活动有关的现金	1,096,879.51	1,105,964.00
经营活动现金流出小计	6,135,464.33	7,163,588.09
经营活动产生的现金流量净额	152,295.98	-625,394.41
二、投资活动产生的现金流量：		
收回投资收到的现金		
取得投资收益收到的现金		
处置固定资产、无形资产和其他长期资产所收回的现金净额		
处置子公司及其他营业单位收回的现金净额		
收到其他与投资活动有关的现金		
投资活动现金流入小计	-	-
购建固定资产、无形资产和其他长期资产所支付的现金		
投资支付的现金		
取得子公司及其他营业单位支付的现金净额		
支付其他与投资活动有关的现金		
投资活动现金流出小计	-	-
投资活动产生的现金流量净额	-	-
三、筹资活动产生的现金流量：		
吸收投资收到的现金		
取得借款收到的现金		
收到其他与筹资活动有关的现金		
筹资活动现金流入小计	-	-
偿还债务支付的现金		
分配股利、利润或偿付利息支付的现金		
支付其他与筹资活动有关的现金		
筹资活动现金流出小计	-	-
筹资活动产生的现金流量净额	-	-
四、汇率变动对现金及现金等价物的影响		
五、现金及现金等价物净增加额	152,295.98	-625,394.41
加：期初现金及现金等价物余额	6,502.64	631,897.05
六、期末现金及现金等价物余额	158,798.62	6,502.64



创建全能扫描王

所有者权益变动表

编制单位：司曼雷特（上海）贸易有限公司

2020年度

金额单位：元

项目	归属于母公司所有者权益											少数股东权益	所有者权益合计
	实收资本(或股本)	其他权益工具	资本公积	减：库存股	其他综合收益	专项储备	盈余公积	△一般风险准备	未分配利润	其他	小计		
一、上年年末余额	1,486,672.40	-	-	-	-	-	-	-1,010,982.15	-	-	475,690.25	-	-
加：会计政策变更								-209,018.55	-	-	-209,018.55	-	-
前期差错更正								-209,018.55	-	-	-209,018.55	-	-
其他								-	-	-	-	-	-
二、本年期初余额	1,486,672.40	-	-	-	-	-	-	-1,010,982.15	-	-	475,690.25	-	475,690.25
三、本年增减变动金额(减少以“-”号填列)	-	-	-	-	-	-	-	-209,018.55	-	-	-209,018.55	-	-209,018.55
(一)综合收益总额								-209,018.55	-	-	-209,018.55	-	-209,018.55
(二)所有者投入和减少资本								-	-	-	-	-	-
1.所有者投入的普通股								-	-	-	-	-	-
2.其他权益工具持有者投入资本								-	-	-	-	-	-
3.股份支付计入所有者权益的金额								-	-	-	-	-	-
4.其他								-	-	-	-	-	-
(三)专项储备提取和使用								-	-	-	-	-	-
1.提取专项储备								-	-	-	-	-	-
2.使用专项储备								-	-	-	-	-	-
(四)利润分配								-	-	-	-	-	-
1.提取盈余公积								-	-	-	-	-	-
其中：法定公积金								-	-	-	-	-	-
任意公积金								-	-	-	-	-	-
4.储备基金								-	-	-	-	-	-
#企业发展基金								-	-	-	-	-	-
#利润归还投资								-	-	-	-	-	-
2.提取一般风险准备								-	-	-	-	-	-
3.对所有者(或股东)的分配								-	-	-	-	-	-
4.其他								-	-	-	-	-	-
(五)所有者权益内部结转								-	-	-	-	-	-
1.资本公积转增资本(或股本)								-	-	-	-	-	-
2.盈余公积转增资本(或股本)								-	-	-	-	-	-
3.盈余公积弥补亏损								-	-	-	-	-	-
4.结转重新计量设定受益计划净负债或净资产所产生的变动								-	-	-	-	-	-
5.其他								-1,220,000.70	-	-	-1,220,000.70	-	-1,220,000.70
四、本年年末余额	1,486,672.40	-	-	-	-	-	-	-1,220,000.70	-	-	266,671.70	-	266,671.70

注：加△楷体项目为金融类企业专用。



扫描全能王 创建

所有者权益变动表

编制单位：司德雷特（上海）贸易有限公司

2020年度

会企04表
单位：元

项 目	上年金额												少数股东权益	所有者权益合计
	归属于母公司所有者权益													
	实收资本（或股本）	其他权益工具	资本公积	减：库存股	其他综合收益	专项储备	盈余公积	△一般风险准备	未分配利润	其他	小计			
栏 次	14	15	16	17	18	19	20	21	22	23	24	25	26	
一、上年年末余额	1,486,672.40						-		-1,010,982.15		475,690.25		475,690.25	
加：会计政策变更											-		-	
前期差错更正											-		-	
其他											-		-	
二、本年初余额	1,486,672.40	-	-	-	-	-	-	-	-1,010,982.15	-	475,690.25		475,690.25	
三、本年增减变动金额（减少以“-”号填列）	-	-	-	-	-	-	-	-	-	-	-		-	
（一）综合收益总额											-		-	
（二）所有者投入和减少资本	-	-	-	-	-	-	-	-	-	-	-		-	
1.所有者投入的普通股											-		-	
2.其他权益工具持有者投入资本											-		-	
3.股份支付计入所有者权益的金额											-		-	
4.其他											-		-	
（三）专项储备提取和使用	-	-	-	-	-	-	-	-	-	-	-		-	
1.提取专项储备											-		-	
2.使用专项储备											-		-	
（四）利润分配											-		-	
1.提取盈余公积											-		-	
其中：法定公积金											-		-	
任意公积金											-		-	
#储备基金											-		-	
#企业发展基金											-		-	
#利润归还投资											-		-	
2.提取一般风险准备											-		-	
3.对所有者（或股东）的分配											-		-	
4.其他											-		-	
（五）所有者权益内部结转	-	-	-	-	-	-	-	-	-	-	-		-	
1.资本公积转增资本（或股本）											-		-	
2.盈余公积转增资本（或股本）											-		-	
3.盈余公积弥补亏损											-		-	
4.结转重新计量设定受益计划净负债或净资产所产生的变动											-		-	
5.其他											-		-	
四、本年年末余额	1,486,672.40	-	-	-	-	-	-	-	-1,010,982.15	-	475,690.25		475,690.25	



扫描全能王 创建

司德雷特（上海）贸易有限公司
Shanghai Co., Ltd.
2020 年度财务报表附注
Notes to 2020 Financial Statements

（本附注是财务报表的组成部分）

(The Notes is a part of the Financial Statements)

一、公司基本情况 Basic Information of the Company

司德雷特（上海）贸易有限公司（以下简称“本公司”或“公司”）成立于 2015 年 5 月 28 日，取得上海市市场监督管理局颁发的统一社会信用代码为 91310000329521792L 的《营业执照》。公司类型：有限责任公司（外国法人独资）。法定代表人：ANKIT AGARWAL。本公司注册资本人民币 500 万元。

Shanghai Co., Ltd. (hereinafter referred to as the “Company”) was established on , 28th.May.2015 with the Business License under Unified Social Credit Code: 91310000329521792Las issued by Market Supervision Administration of Shanghai Municipal. Company type: Limited Liability Company (Sole Foreign Corporation). Legal Representative: ANKIT AGARWAL . The registered capital of the company is RMB 5Million yuan

本公司的经营范围：从事电子产品及其零部件、光学纤维、金属材料及其制品（贵金属、钢材、氧化铝除外）的批发、进出口、佣金代理（拍卖除外），并提供相关售后服务、技术咨询以及其他配套业务。（不涉及国营贸易管理商品，涉及配额许可证管理商品的，按国家有关规定办理申请）（上述经营范围涉及行政许可的，凭许可证经营）。

Business scope of the Company: Engaged in wholesale, import and export, commission agency (excluding auction) of electronic products and parts, optical fiber, metal materials and products (excluding precious metal, steel, alumina), and providing relevant after-sales service, technical consultation and other supporting businesses. for commodities not under the administration of state-owned trade and commodities under the administration of quota license, the application shall be handled in accordance with the relevant provisions of the state) (Operation falling into above business scope shall be subject to permits where administrative permission is needed.)

二、财务报表的编制基础 Basis of Preparation of Financial Statements

本公司财务报表以企业持续经营假设为基础，根据实际发生的交易事项，按照财政部最新颁布的《企业会计准则》及其应用指南的有关规定，并基于以下所述重要会计政策、会计估计进行编制。

The financial statements of the Company are prepared on a going-concern basis in light of the transactions actually occurred, in accordance with the relevant provisions of the Accounting Standards for Business Enterprises and its application guide newly promulgated by the Ministry of Finance and based on the following significant accounting policies and accounting estimates.

三、遵循企业会计准则的声明 Statement of Compliance with the Accounting Standard for Business Enterprises

本公司基于上述编制基础编制的财务报表符合财政部最新颁布的《企业会计准则》的要求，真实完整地反映了企业的财务状况、经营成果和现金流量等有关信息。

The financial statements of the Company prepared on the above basis of preparation are in accordance with the



requirements of "Accounting Standard for Business Enterprises" newly promulgated by the Ministry of Finance and present truly and completely, the Company's financial position, operating results, cash flows and other related information.

四、主要会计政策、会计估计 Main Accounting Policies and Accounting Estimates

(一) 会计年度 Accounting year

本公司以公历年度为会计年度，即公历 1 月 1 日至 12 月 31 日。

The calendar year from January 1 to December 31 is adopted as an accounting year.

(二) 记账本位币 Functional currency

本公司采用人民币作为记账本位币。

Renminbi ("RMB") is used as the functional currency.

(三) 记账基础和计价原则 Accounting treatment basis and valuation principle

本公司以权责发生制为记账基础，采用借贷记账法，以实际成本为计价原则。各项财产在取得时按实际成本计量，其后如果发生减值，按《企业会计准则》的规定计提相应的减值准备。

The accounting treatment principle adopted by the Company is on an accrual basis with the method of debit-credit bookkeeping, and the Company generally applies actual cost principle. All the assets are measured at the actual cost when obtained. If there is any impairment later, the provision for impairment shall be made in accordance with the Accounting Standards for Business Enterprises.

(四) 现金及现金等价物的确定标准 Recognition criteria of cash and cash equivalents

现金流量表的现金指企业库存现金以及可以随时用于支付的存款。现金等价物指持有期限短（一般是指从购买日起三个月内到期）、流动性强、易于转换为已知金额现金、价值变动风险很小的投资。

In preparing the cash flow statement, cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the short-term (generally due within three months from the acquisition date), highly liquid investments hold by the Company that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(五) 应收款项 Receivables

应收款项包括应收账款、其他应收款。

Receivables include accounts receivable and other receivables.

本公司对应收款项坏账准备计提方法采用账龄分析法与个别认定法相结合的方法。

The Company adopts the combination of aging analysis method and individual identification method for the provision for bad debts of receivables.

(六) 存货 Inventories

1、存货的分类 Category of inventories

存货指在日常活动中持有以备出售的产成品或商品、处在生产过程中的在产品、在生产过程或提供劳务过程中耗用的材料和物料等，以及低值易耗品。主要包括原材料、周转材料、委托加工材料、在产品、自制半成品、产成品、库存商品、发出商品、低值易耗品等。



Inventories refer to the finished products or commodities held by the Company in daily activities for sale, work in process, and the materials and supplies which are to be consumed for production or provision of labor service, and low-value consumables. The Company's inventories include raw materials, consigned materials for processing, work in-process, self-manufactured semi-finished products, finished products, goods on hand, goods in transit, low-value consumables, etc.,

或：存货为工程施工/房地产开发成本/低值易耗品。

or such inventories as low value consumables for the construction / real estate development.

2、存货取得和发出的计价方法 Valuation of inventories when obtained and issued

存货取得时按成本进行初始计量，发出时按加权平均法计价。

When the inventories are acquired, they are initially measured at cost and, when issued, are calculated using the weighted average method.

低值易耗品、包装物采用“一次摊销法”核算。

Low-value consumables and packaging materials are accounted using one-off amortization method.

3、存货期末计价方法 Inventory valuation method at year end

资产负债表日，存货采用成本与可变现净值孰低计量，按照单个（或类别）存货项目成本高于可变现净值的差额计提存货跌价准备。可变现净值是指存货的估计售价抵减至完工时将要发生的成本、估计的销售费用和估计的相关税费等。

At the balance sheet date, the inventories are measured at the lower of the cost and the net realizable value, and the provision for impairment of inventories is made based on the difference between the cost of the single item (or category) of inventories over the net realizable value. The net realizable value is the estimated selling price of inventories less the costs to be incurred upon completion, estimated selling expenses and estimated related taxes.

4、存货的盘存制度 Inventory system

存货的盘存制度为永续盘存制。

Inventory shall be accounted for using the perpetual inventory method.

（七） 固定资产 Fixed Assets

1、固定资产确认条件 Recognition criteria of fixed assets

固定资产指为生产商品、提供劳务、出租或经营管理而持有，并且使用寿命超过一个会计年度的有形资产。

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year.

本公司的固定资产分类为：房屋建筑物、机器设备、运输设备、办公设备和电子设备等。

The Company's fixed assets include: Houses and buildings, machinery equipments, transportation equipments, electronic equipments and others.

2、固定资产计价及折旧方法 Valuation and depreciation method of fixed assets

本公司固定资产按照取得时的实际成本进行初始计量，并从其达到预定可使用状态的次月起采用年限平均法计提折旧。



The fixed assets of the Company are initially measured at cost when acquired, and are depreciated using the annual average method from the month following the attainment of the intended use.

在不考虑减值准备的情况下，按固定资产的类别、预计使用寿命和预计净残值率分别确定折旧年限和年折旧率如下：

The annual depreciation rates of fixed assets determined on the basis of type, useful life and estimated net residual value rate of fixed assets are as follows:

固定资产类别 Category of fixed assets	折旧年限（年） Depreciation Life (year)	预计净残值率（%） Estimated Net Residual Value Rate (%)	年折旧率（%） Annual Depreciation Rate (%)
电子设备 Electronic equipment	3	10	30

在考虑减值准备的情况下，按单项固定资产扣除减值准备后的账面净额和剩余折旧年限，分项确定并计提各期折旧。

Taking into account the provision for impairment, the depreciation for each period shall be determined and made separately according to the net book value after deducting the impairment provision and the remaining depreciation period of a single fixed asset.

3、固定资产减值准备 Allowance for depreciation of fixed assets

资产负债表日，有迹象表明固定资产发生减值的，按照账面价值与可收回金额的差额计提固定资产减值准备，并计入当期损益。

At the balance sheet date, if there are signs that the fixed assets are impaired, the provision for impairment of fixed assets shall be made according to the difference between the book value and the recoverable amount, and recorded in the current profits and losses.

（八）职工薪酬 Employee Benefits

1、职工薪酬内容 Payroll

职工薪酬是指本公司为获得职工提供的服务而给予的各种形式的报酬以及其他相关支出。包括：职工工资、奖金、补贴；职工福利费；社会保险费；住房公积金；工会和职工教育经费；非货币性福利；离职补偿等。

Employee payroll refers to various forms of remuneration and other related expenses paid by the Company for obtaining the services provided by employees. Including: Wages, bonuses and allowances; welfare for staff and workers; contributions to social insurance; housing provident fund; funds for trade unions and employees' education; non-monetary benefits; severance package.

2、职工薪酬的确认原则、标准与计量方法以及会计处理方法

Principle, Criteria and Measurement Method and Accounting of Employees' Payroll

本公司在职工提供服务的会计期间，将应付的职工薪酬确认为负债；除离职补偿外，根据职工提供服务的受益对象，分别计入产品成本或劳务成本、在建工程、研发支出或当期损益。

During the accounting period in which the employees provide their services, the Company recognizes the



employee payroll payable as liabilities. Except for the severance package, they are recorded into the cost of goods and services, construction in progress, research and development expenditures or current profits and losses respectively.

离职补偿在符合预计负债确认条件的情况下，确认预计负债并计入当期损益。

Where the severance package satisfies the conditions for the recognition of the estimated liabilities, the estimated liabilities are recognized and recorded in the current profits and losses.

（九） 借款费用 **Borrowing Costs**

本公司的借款费用指因借款而发生的利息、折价或溢价的摊销和辅助费用，以及因外币借款而发生的汇兑差额。除为购建固定资产的专门借款所发生的借款费用外，其他借款费用均应于发生当期确认为费用，直接计入当期财务费用。

Borrowing costs shall mean the interest, amortization of discounts and premium, ancillary costs as well as foreign exchange differences resulting from the Company's borrowings in foreign currency. Except for the borrowing costs incurred for the purchase and construction of fixed assets, other borrowing costs should be recognized as expenses in the period in which they are incurred and directly included in the current financial expenses.

（十） 收入确认原则 **Recognition Principle of Revenue**

1、销售商品收入确认时间的具体判断标准 **Criteria for determining the recognition time of sales of goods**

本公司已将商品所有权上的主要风险和报酬转移给购买方；本公司既没有保留与所有权相联系的继续管理权，也没有对已售出的商品实施有效控制；收入的金额能够可靠地计量；相关的经济利益很可能流入企业；相关的已发生或将发生的成本能够可靠地计量时，确认商品销售收入实现。

Revenue from sale of goods is recognized when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods; the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue can be measured reliably; the relevant economic benefits are likely to flow into the Company; related costs that have been or will be incurred can be measured reliably.

2、提供劳务 **Rendering of services:**

本公司提供的劳务在同一会计年度开始并完成，在劳务已经提供，收到价款或取得收取价款的依据时，确认劳务收入的实现；如劳务的开始和完成分属不同的会计年度，在提供劳务交易的结果能够可靠估计的情况下，在资产负债表日按完工百分比法确认相关的劳务收入。

Services are commenced and completed in the same accounting year. Their revenue can be recognized provided that the services have been provided, their payments have been received or the vouchers have been obtained for the payments. If services are commenced and completed in different accounting years, the revenue is recognized on the balance sheet date based on percentage of completion method when the outcome of service transaction can be estimated reliably;

3、确认让渡资产使用权收入的依据 **Recognition method of revenue from use by others of enterprise assets**

本公司让渡资产使用权取得的利息收入和使用费收入，在与交易相关的经济利益能够流入本公司，且收入的金额能够可靠地计量时，确认让渡资产使用权收入实现。

The interests and royalty revenue from abalienating the right to use assets shall be recognized on condition that economic benefits relating to the transaction is able to flow into the Company and the amount received can be measured reliably.



(十一) 所得税的会计处理方法 Accounting Treatment of Income Taxes

本公司所得税采用资产负债表债务法核算。

The Company accounted for income taxes using the balance sheet debt method.

本公司在计算确定当期所得税以及递延所得税的基础上, 将两者之和确认为利润表中的所得税费用, 但计入所有者权益的交易或事项产生的递延所得税除外。

Based on the calculation of the current income tax and the deferred income tax, the Company recognizes the sum of both as the income tax expense in the income statement except for the deferred income tax arising from the transactions or events included in the owners' equity.

根据主管税务机关核定, 本公司所得税采取分季度预缴、年度汇算清缴方式。在年终汇算清缴时, 少缴纳的所得税税额, 在下一年度内缴纳; 多缴纳的所得税税额, 在下一年度内退还。

Based on the determination of the competent tax authorities, the Company's income taxes will be prepaid quarterly or settled on an annual basis. At the year-end final settlement, the underpayment of income tax shall be made in the next year, and the overpayment will be refunded during the next year.

五、会计政策、会计估计变更以及重大前期会计差错更正

Changes in Accounting Policies, Accounting Estimates and Correction of Significant Prior Accounting Errors

(一) 会计政策变更 Changes in accounting policies

本报告期内, 本公司无应披露未披露的会计政策变更事项。

During the reporting period, the Company has no changes to the accounting policies undisclosed.

(二) 会计估计变更 Changes in significant accounting estimates

本报告期内, 本公司无应披露未披露的会计估计变更事项。

During the reporting period, the Company has no changes of accounting estimates that should be disclosed but undisclosed to the accounting policies

(三) 重大前期会计差错更正 Correction of significant prior accounting errors

本报告期内, 本公司无应披露未披露重大前期会计差错更正事项。

During the reporting period, the Company has no correction of significant prior accounting errors that should be disclosed but undisclosed to the accounting policies

六、税项 Taxes

本公司主要适用的税种和税率如下:

The major taxes and tax rates applicable to the Company are as follows:

税种 Taxes Categories	计税依据 Basis of Tax Assessment	税率 (%) Tax rate (%)
增值税 VAT	应税货物、劳务收入或应税服务收入	13 或 6
	Taxable income of goods and labor or taxable service income	13 or 6



税种 Taxes Categories	计税依据 Basis of Tax Assessment	税率 (%) Tax rate (%)
企业所得税 Corporate income tax	应纳税所得额 Taxable income	20 20

七、财务报表主要项目注释 Notes to Main Items of Financial Statements

(一) 货币资金 Monetary Funds

项目 Item	期末余额 Ending balance
现金 Cash	
银行存款 Cash in bank	158,798.62
合计 Total	158,798.62

(二) 应收账款 Accounts Receivable

1、应收账款账龄情况 Aging of accounts receivable

账龄 Aging	期末余额 Ending balance	比例% Proportion %
一年以内 Within one year	870,231.97	100.00
合计 Total	870,231.97	100.00

2、应收账款中金额较大的客户 Customers with a large amount of accounts receivable

客户名称 Customer Name	期末余额 Ending balance	备注 Note
江苏斯德雷特通光光纤有限公司 (Jiangsu Sterlite Tongguang co.LTD)	800,343.97	

(三) 预付款项 Advances to Suppliers

1、预付款项账龄情况 Aging of prepayments

账龄 Aging	期末余额 Ending balance	比例% Proportion %
一年以内 Within one year	10,078.21	100.00



合计 Total	10,078.21	100.00
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2、 预付款项中金额较大的供应商 Suppliers with a large amount of prepayment

供应商名称 Name of Suppliers	期末余额 Ending balance	备注 Note
房租 Rent	10,078.21	

(四) 其他应收款 Other Receivables

1、 其他应收款账龄情况 Aging of other receivables

账龄 Aging	期末余额 Ending balance	比例% Proportion %
一年以内 Within one year	25,406.45	100.00
合计 Total	25,406.45	100.00

(五) 固定资产 Fixed Assets

项目 Item	年初余额 Opening Balance	本期增加 Increase in current period	本期减少 Decrease in current period	期末余额 Ending balance
固定资产原值: Original value of fixed assets:	32,805.55			32,805.55
电子设备 Electronic equipment	32,805.55			32,805.55
固定资产原值合计 Total original value of fixed assets	32,805.55			32,805.55
累计折旧: Accumulated depreciation:	28,400.88	675.42		29,076.30
电子设备 Electronic equipment	28,400.88	675.42		29,076.30
累计折旧合计 Total accumulative depreciation	28,400.88	2,475.42		29,076.30
固定资产账面净值合计	4,404.67			3,729.25



Total carrying value of
fixed assets

(六) 应付职工薪酬 Employee benefits payable

项目 Item	期末余额 Ending balance
职工工资、奖金、津贴和补贴 Employee wages, bonuses, allowances and subsidies	714,977.00
合计 Total	714,977.00

(七) 应交税费 Taxes Payable

税费类别 Categories of taxes	期末余额 Ending balance
增值税 VAT	28,771.97
城市维护建设税 Urban maintenance and construction tax	1,378.06
教育费附加 Education surcharge	590.60
地方教育附加 Local education surcharge	393.73
合计 Total	31,134.36

(八) 实收资本 Paid-in Capital

投资者名称 Name of investor	年初余额 Opening Balance	占年初注册 资本比例% Percentage of of registered capital at the beginning %	本年增 加 Amount increased of current year	本年减 少 Amount decreased of current year	期末余额 Ending balance	占期末注 册资本比 例% Percentage of of registered capital at the end %
STERLITE TECHNOLOGIES LIMITED	1,486,672.40	100			1,486,672.40	100
合计 Total	1,486,672.40	100			1,486,672.40	100

(九) 未分配利润 Undistributed profits



(一) 上年年末余额 Year-end balance of previous year	-1,010,982.15
加：会计政策变更 Add: Changes in accounting policies	
前期差错更正 Correction of prior period errors	
(二) 本年年初余额 Opening balance of current year	-1,010,982.15
加：本年净利润转入 Add: Net profit transferred for current year	-209,018.55
其他转入 Other transfer in	
(三) 可供分配的利润 Profit available for distribution	-1,220,000.70
减：提取盈余公积 Less: Draw surplus reserves	
对投资者的分配 Distribution to investors	
(四) 利润分配后的余额 Balance after the profit distribution	-1,220,000.70
加：盈余公积弥补亏损 Add: Surplus reserves for making up losses	
(五) 本期期末余额 Ending balance of the current period	-1,220,000.70

(十) 营业收入、营业成本 Revenue and operating cost

项目 Item	收入 Revenue	成本 Cost
主营业务 Main Services Introduction	4,805,736.06	78,973.44
其他业务 Other business operations		
合计 Total	4,805,736.06	78,973.44

(十一) 财务费用 Financial expenses

其明细列示如下： Listed as follows:

费用项目 Expenses	本年金额 Amount of current year
利息支出 Interest expense	
减：利息收入 Less: Interest income	211.14
汇兑损益 Exchanges gains or losses	-4.88
金融机构手续费 Financial institution charges	4,324.08



合计 Total

4,117.82

八、或有事项 Contingencies

本公司本期无需披露的或有事项。

No significant event that is required to be disclosed by the Company for current period.

九、资产负债表日后事项 Events after the Balance Sheet Date

截至报告日，本公司无需要披露的资产负债表日后事项。

No event after the balance sheet date that is not required to be disclosed by the Company as at the report date.

十、按照有关财务会计制度应披露的其他内容

According to the financial accounting system, other disclosures that should be made:

本公司本期无应披露的其他内容。

No other disclosures that are required to be made by the Company for current period.





营业执照

(副本)

统一社会信用代码 91310109779302554W

证照编号 09000000201609290167

名称 上海宏大东亚会计师事务所有限公司
 类型 有限责任公司(国内合资)
 住所 上海市虹口区海宁路137号7层F座792I室

法定代表人 徐良华

注册资本 人民币100.0000万元整

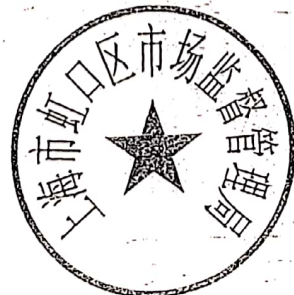
成立日期 2005年8月15日

营业期限 2005年8月15日至2035年8月14日

经营范围 审查企业会计报表, 出具审计报告; 验证企业资本, 出具验资报告; 办理企业合并、分立、清算事宜中的审计业务, 出具有关的报告; 从事法律、行政法规规定的其它审计业务; 承办会计咨询、会计服务业务。

【依法须经批准的项目, 经相关部门批准后方可开展经营活动】

上海宏大东亚会计师事务所
 此复印件与原件相符



2016年09月9日





会计师事务所 执业证书

名称：上海宏大东亚会计师事务所有限公司

首席合伙人：

主任会计师：徐良华

经营场所：上海市虹口区海宁路137号7层F座7921室

组织形式：有限责任制

执业证书编号：31000138

批准执业文号：沪财会〔2005〕77号

批准执业日期：2005年8月1日

证书序号：0001223

说明

- 1、《会计师事务所执业证书》是证明持有人经财政部门依法审批，准予执行注册会计师法定业务的凭证。
- 2、《会计师事务所执业证书》记载事项发生变动的，应当向财政部门申请换发。
- 3、《会计师事务所执业证书》不得伪造、涂改、出租、出借、转让。
- 4、会计师事务所终止或执业许可注销的，应当向财政部门交回《会计师事务所执业证书》。

发证机关：



二〇一八年六月一日

中华人民共和国财政部制



扫描全能王 创建

证书编号: 310000422259
No. of Certificate

批准注册协会: 上海市注册会计师协会
Authorized Institute of CPAs

发证日期: 2003 年7 月23 日
Date of Issuance /y /m /d

年度检验登记 Annual Renewal Registration

本证书经检验合格, 继续有效一年。
This certificate is valid for another year after
this renewal.



陶勇(310000422259)
您已通过2020年年检
上海市注册会计师协会
2020年08月31日

月 /m 日 /d

6



姓名	陶勇
Sex	男
出生日期	1969-05-20
工作单位	上海宏大东亚太会计师事务所有限公司
身份证号码	310107196905205415



扫描全能王 创建

年度检验登记

Annual Renewal Registration

本证书经检验合格，继续有效一年。

This certificate is valid for another year after this renewal.



朱浩荣(310000420001)
您已通过2020年年检
上海市注册会计师协会
2020年08月31日

月 日

7

310000420001

证书编号:
No. of Certificate

上海市注册会计师协会

批准注册协会:
Authorized Institute of CPAs

2012 11 16

发证日期:
Date of Issuance

年 月 日
/y /m /d



姓名 朱浩荣

Full name

性别 男

Sex

出生日期 1981-01-06

Date of birth

工作单位 上海沪港金茂会计师事务所有限公司

Working unit

身份证号码 310115198101062219

Identity card No.



扫描全能王 创建

Sterlite Tech Holding INC		
Balance Sheet	Note	STH_Inc USD
ASSETS		
Non-current assets		
Financial Assets		
Trade Receivables	8	-
Loans	9	3,806,962.99
Other Non Current Financial Assets	10	-
Other Non-current assets	11	-
Total Non-Current assets		3,806,962.99
Current assets		
Inventories	13	-
Financial Assets		
Investments	12	-
Trade receivables	8	-
Loans	9	-
Cash and cash equivalents	14A	150,000.00
Other Bank balances	14B	-
Other Current Financial Assets	10	-
Other current assets	11	-
Total current assets		150,000.00
Total Assets		3,956,962.99
EQUITY AND LIABILITIES		
Equity		
Equity share capital	15	-
Other Equity	16	(249,399.07)
Total Equity		(249,399.07)
Liabilities		
Non-current liabilities		
Financial Liabilities		
Borrowings	17	4,195,362.06
Other financial liabilities	18	-
Employee benefit obligations	21	-
Provisions	22	-
Other non-current liabilities	24	-
Deferred tax liabilities (Net)	20	-
Total Non-Current liabilities		4,195,362.06
Current liabilities		
Financial Liabilities		
Borrowings	17	-
Trade payables	23	-
Other financial liabilities	18	-
Other current liabilities	24	11,000.00
Employee benefit obligations	21	-
Provisions	22	-
Total current liabilities		11,000.00
Total Equity and Liabilities		3,956,962.99

Signature

Sterlite Tech Holding INC		
Profit and Loss	Note	STH_Inc USD
INCOME		
Revenue from operations	24	-
Other Income	25	-
Total Income (I)		-
EXPENSES		
Cost of raw material and components consumed	27	-
Purchase of traded goods		-
Changes in inventories of finished goods, work-in-progress, traded goods and construction work-in-progress		-
Employee benefits expense	28	-
Other expenses	29	11,475.00
Total Expense (II)		11,475.00
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		(11,475.00)
Depreciation and amortisation expense	30	-
Finance costs	31	59,587.67
Finance Income	26	-
Profit before tax & share in profit/(loss) of joint venture		(71,062.67)
Profit before tax		(71,062.67)
Tax expense		
Current tax		-
Deferred tax	34	-
Profit from continuing operations		(71,062.67)
Profit for the year		(71,062.67)
Total comprehensive income for the year, net of tax		(71,062.67)
Profit for the year		
Attributable to:		
Owners of the company		(71,062.67)
		(71,062.67)
Other comprehensive income		
Attributable to:		
Total comprehensive income		
Attributable to:		
Owners of the company		(71,062.67)
		(71,062.67)
Total comprehensive income attributable to owners:		
Continuing Operations		(71,062.67)

Signature

Sterlite Technologies INC		
Balance Sheet	Note	STI USD
ASSETS		
Non-current assets		
Property, Plant and Equipment	3	14,993.09
Capital work-in-progress		104,336.62
Financial Assets		
Trade Receivables	8	-
Loans	9	-
Other Non Current Financial Assets	10	-
Other Non-current assets	11	-
Total Non-Current assets		119,329.71
Current assets		
Inventories	13	6,158,737.92
Financial Assets		
Investments	12	-
Trade receivables	8	4,570,401.02
Loans	9	6,414.17
Cash and cash equivalents	14A	76,990.53
Other Bank balances	14B	-
Other Current Financial Assets	10	22,000.00
Other current assets	11	40,514.47
Total current assets		10,875,058.11
Total Assets		10,994,387.82
EQUITY AND LIABILITIES		
Equity		
Equity share capital	15	-
Other Equity	16	(2,305,210.26)
Total Equity		(2,305,210.26)
Liabilities		
Non-current liabilities		
Financial Liabilities		
Borrowings	17	3,806,962.99
Other financial liabilities	18	-
Employee benefit obligations	21	-
Provisions	22	-
Other non-current liabilities	24	-
Deferred tax liabilities (Net)	20	3,148.55
Total Non-Current liabilities		3,810,111.54
Current liabilities		
Financial Liabilities		
Borrowings	17	169,161.00
Trade payables	23	9,235,094.04
Other financial liabilities	18	28,128.50
Other current liabilities	24	57,103.00
Employee benefit obligations	21	-
Provisions	22	-
Total current liabilities		9,489,486.54
Total Equity and Liabilities		10,994,387.82

Sterlite Technologies INC		
Profit and Loss	Note	STI USD
INCOME		
Revenue from operations	24	9,445,979.15
Other Income	25	2,475,426.04
Total Income (I)		11,921,405.19
EXPENSES		
Cost of raw material and components consumed	27	14,636,724.87
Purchase of traded goods		-
Changes in inventories of finished goods, work-in-progress, traded goods and construction work-in-progress		(6,158,737.92)
Employee benefits expense	28	2,216,914.24
Other expenses	29	1,652,018.10
Total Expense (II)		12,346,919.29
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		(425,514.10)
Depreciation and amortisation expense	30	6,572.26
Finance costs	31	20,613.38
Finance Income	26	-
Profit before tax & share in profit/(loss) of joint venture		(452,699.74)
Profit before tax		(452,699.74)
Tax expense		
Current tax		-
Deferred tax	34	(1,358.61)
Total tax expenses		(1,358.61)
Profit from continuing operations		(451,341.13)
Profit for the year		(451,341.13)
Total comprehensive income for the year, net of tax		(451,341.13)
Profit for the year		
Attributable to:		
Owners of the company		(451,341.13)
		(451,341.13)
Other comprehensive income		
Attributable to:		
Total comprehensive income		
Attributable to:		
Owners of the company		(451,341.13)
		(451,341.13)
Total comprehensive income attributable to owners:		
Continuing Operations		(451,341.13)

Signature

STERLITE CONDUSPAR INDUSTRIAL LTDA
 Balanço Patrimonial - Fechamento 31/12/2020
 (EM MILHARES DE REAIS)



	ATIVO					PASSIVO					
	2018	2019	out-20	nov-20	dez-20	2018	2019	out-20	nov-20	dez-20	
CIRCULANTE						CIRCULANTE					
CAIXA / BANCOS	392	233	2.775	1.603	1.225	EMPRÉSTIMOS E FINANCIAMENTOS CP	2.130	438	1.070	988	428
DUPLICATAS A RECEBER	9.388	8.601	12.522	13.034	11.291	FORNECEDORES	15.647	17.388	21.707	19.667	14.922
ESTOQUES	8.965	9.191	8.218	7.803	8.155	OBRIGAÇÕES TRABALHISTAS	222	269	404	404	303
IMPOSTOS A RECUPERAR CP	815	292	261	255	307	OBRIGAÇÕES FISCAIS	1.149	1.048	2.579	2.274	2.131
DESPESAS PAGAS ANTEC	0	11	29	19	42	OUTRAS CONTAS A PAGAR	205	232	1.033	1.158	1.083
ADIANTAMENTO A FORNECEDOR	3.354	1.478	962	1.362	1.043	PARTES RELACIONADAS / DIVIDENDOS	0	0	0	0	0
OUTROS CREDITOS	0	18	19	54	7	ADIANTAMENTO DE CLIENTE	2.562	795	1.461	1.512	1.106
OPERACOES HEADGE	0	0	-	-	-						
PARTES RELACIONADAS AC	0	0	-	-	-						
TOTAL ATIVO CIRCULANTE	22.915	19.824	24.787	24.130	22.070	TOTAL PASSIVO CIRCULANTE	21.915	20.170	28.255	26.003	19.973
REALIZÁVEL A LONGO PRAZO						EXIGÍVEL A LONGO PRAZO					
CRÉDITOS E VALORES	0	0	-	-	-	EMPRÉSTIMOS E FINANCIAMENTOS LP	0	0	0	0	0
IMPOSTOS A RECUPERAR NC	0	0	20	20	20	FORNECEDORES LP	0	0	0	0	0
PARTES RELACIONADAS NC	0	0	-	-	-	DIVIDENDOS A PAGAR	0	0	0	0	0
						MÚTUO	4.946	5.208	5.337	5.350	167
						OBRIGAÇÕES TRABALHISTAS NC	0	0	0	0	0
						OBRIGAÇÕES FISCAIS NC	1.747	886	844	802	760
						AVP s/divída RJ-Deságio Implícito	0	0	0	0	0
TOTAL REALIZÁVEL A L/PRAZO	0	0	20	20	20	TOTAL EXIGÍVEL A LONGO PRAZO	6.694	6.094	6.181	6.152	927
PERMANENTE						PATRIMÔNIO LÍQUIDO					
INVESTIMENTOS	0	0	-	-	-	CAPITAL SOCIAL	12.814	12.814	12.814	12.814	12.814
IMOBILIZADO	7.694	7.358	6.843	6.789	6.987	RESERVA LEGAL	0	0	0	0	13.388
INTANGÍVEL	0	31	29	28	28	LUCROS (PREJUÍZOS) ACUMULADO	-10.507	-10.814	-11.866	-11.866	-11.866
						AJUSTES EXERC ANT / AJUS AVAL PATR	0	0	0	0	0
						LUCROS (PREJUÍZOS) PERÍODO	-307	-1.052	-3.706	-2.136	-6.131
						AJUSTES VP RJ	0	0	0	0	0
TOTAL PERMANENTE	7.694	7.389	6.872	6.818	7.015	TOTAL PATRIMÔNIO LÍQUIDO	2.001	949	-2.757	-1.187	8.205
TOTAL - ATIVO	30.609	27.213	31.679	30.968	29.105	TOTAL - PASSIVO	30.609	27.213	31.679	30.968	29.105

0

André Rauen Abage
 Diretor
 CPF 961.591.209-30

Eduardo Vitale
 Contador
 PR-064653/O-7
 CPF 133.532.718-56

EM MILHARES DE REAIS

DRE '000	ACUM. 2018	ACUM. 2019	31/01/2020	28/02/2020	31/03/2020	30/04/2020	31/05/2020	30/06/2020	31/07/2020	31/08/2020	30/09/2020	31/10/2020	30/11/2020	30/12/2020	ACUM. 2020
VENDAS DE PRODUTOS E SERVIÇOS	44.853	55.992	5.235	5.163	4.494	3.564	6.289	4.043	4.817	5.756	6.883	5.522	5.526	4.234	61.525
-DESCONTOS COMERCIAIS	-804	-84	0	0	0	0	0	0	0	0	0	0	0	0	0
-DEVOLUÇÃO / ABATIMENTO	-1.505	-1.875	-477	-890	-42	-432	-135	-176	-24	-43	0	-221	-166	-152	-2.760
- IMPOSTOS S/VENDAS	-11.287	-13.422	-1.260	-1.151	-1.236	-838	-989	-695	-672	-1.505	-1.964	-1.615	-1.400	-1.064	-14.388
RECEITA OPERACIONAL LÍQUIDA	31.256	40.612	3.498	3.122	3.216	2.294	5.165	3.172	4.121	4.208	4.920	3.687	3.960	3.017	44.377
YOY	63,0%	29,9%													9,3%
CUSTO DAS VENDAS	-24.971	-31.557	-2.625	-2.150	-2.407	-1.569	-3.610	-2.158	-3.629	-2.764	-3.434	-3.353	-3.430	-4.276	-35.403
LUCRO BRUTO	6.286	9.055	873	972	809	725	1.555	1.014	492	1.444	1.486	334	530	-1.259	8.974
% Receita Líquida	20,1%	22,3%	25,0%	31,1%	25,2%	31,6%	30,1%	32,0%	11,9%	34,3%	30,2%	9,1%	13,4%	-41,7%	20,2%
DESPESAS COMERCIAIS	-2.106	-2.465	-249	-230	-231	-174	-444	-377	-294	-214	-388	-239	-202	-144	-3.186
DESPESAS ADMINISTRATIVAS	-3.763	-4.856	-550	-498	-627	-511	-438	-485	-612	-352	-260	-235	-276	-615	-5.459
OUTRAS OPERACIONAIS	281	805	45	48	51	36	0	19	101	82	105	58	88	103	737
RESULTADO OPERACIONAL	698	2.540	119	291	2	76	673	171	-313	960	943	-82	139	-1.914	1.066
% Receita Líquida	2,2%	6,3%	3,4%	9,3%	0,1%	3,3%	13,0%	5,4%	-7,6%	22,8%	19,2%	-2,2%	3,5%	-63,4%	2,4%
REC / DESP FINANCEIRO	-1.008	-3.584	-912	-898	-2.815	-867	-157	-143	741	-688	-706	-464	1.430	-2.082	-7.562
% Receita Líquida	-3,2%	-8,8%	-26,1%	-28,8%	-87,5%	-37,8%	-3,0%	-4,5%	18,0%	-16,4%	-14,3%	-12,6%	36,1%	-69,0%	-17,0%
RECEITA FINANCEIRA	135	138	12	-4	5	14	9	8	0	35	35	3	1	2	121
DESPESAS FINANCEIRAS	-498	-1.287	-159	-84	-82	-70	-117	-95	-74	-71	-58	-38	-21	-195	-1.063
VARIAÇÃO CAMBIAL	-645	-2.434	-765	-810	-2.739	-811	-50	-56	814	-652	-683	-430	1.450	-1.889	-6.619
PROV LIQ DUVIDOSA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET NÃO OPERACIONAL	3	-8	362	0	1	-7	0	1	1	1	1	2	1	1	364
% Receita Líquida	0,0%	0,0%	10,4%	0,0%	0,0%	-0,3%	0,0%	0,0%	0,0%	0,0%	0,0%	0,1%	0,0%	0,0%	0,8%
OUTRAS NÃO OPERACIONAIS	3	-8	362	0	1	-7	0	1	1	1	1	2	1	1	364
GANHO/PERDA RJ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LUCRO(PREJ.) ANTES I.R. E C.S.S.L.	-307	-1.052	-430	-607	-2.812	-798	516	29	429	273	239	-544	1.570	-3.995	-6.131
% Receita Líquida	-1,0%	-2,6%	-12,3%	-19,4%	-87,4%	-34,8%	10,0%	0,9%	10,4%	6,5%	4,8%	-14,8%	39,6%	-132,4%	-13,8%
PROVISÃO DE IR E CSSL + DIFERIDO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LUCRO / PREJUÍZO DO PERÍODO	-307	-1.052	-430	-607	-2.812	-798	516	29	429	273	239	-544	1.570	-3.995	-6.131
% Receita Líquida	-1,0%	-2,6%	-12,3%	-19,4%	-87,4%	-34,8%	10,0%	0,9%	10,4%	6,5%	4,8%	-14,8%	39,6%	-132,4%	-13,8%
DEPRECIÇÃO/AMORTIZAÇÃO	627	641	54	54	54	54	54	54	54	54	54	54	54	67	662
EBITDA	1.324	3.181	173	345	56	130	727	225	-258	1.014	997	-28	194	-1.847	1.729
% Receita Líquida	4,2%	7,8%	4,9%	11,1%	1,7%	5,7%	14,1%	7,1%	-6,3%	24,1%	20,3%	-0,8%	4,9%	-61,2%	3,9%

André Rauen Abage
Diretor
CPF 961.591.209-30

Eduardo Vitale
Contador
PR-064653/O-7
CPF 133.532.718-56

Registration No: 201501026891 (1152215 - W)

ELITECORE TECHNOLOGIES SDN. BHD.
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 MARCH 2021

Registration No: 201501026891 (1152215 - W)

ELITECORE TECHNOLOGIES SDN. BHD.
(Incorporated in Malaysia)

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Registration No: 201501026891 (1152215 - W)

ELITECORE TECHNOLOGIES SDN. BHD.
(Incorporated in Malaysia)

CORPORATE INFORMATION

DIRECTORS

Grace Amondi Odhiambo
Kattunga Srinivasa Rao (Appointed on 9 June 2020)
Saikat Mitra (Appointed on 30 April 2021)
Anshoo Gaur (Resigned on 9 June 2020)
Radheshyam Soni (Resigned on 30 April 2021)

SECRETARIES

Fauziah binti Mohamed
Zaiton Binti Sutor @ Sitor

AUDITORS

Grant Thornton Malaysia PLT
(Member of Grant Thornton International Ltd)
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

REGISTERED OFFICE

Level 1, No. 11, Jalan PJU 1A/41B
NZX Commercial Centre
Ara Jaya, 47301 Petaling Jaya
Selangor Darul Ehsan

**PRINCIPAL PLACE OF
BUSINESS**

Block 2 & 3
Magnet Corporate Park
Near Sola Flyover
Off G Highway, Thaltej
Ahmedabad 3800054 Gujerat, India

ELITECORE TECHNOLOGIES SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Company for the financial year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in provide global IT products and services by undertaking projects on turnkey basis, providing hardware, software, technology business solutions, infrastructure development, service for system development, installations, maintenance, support, consulting, outsourcing, contracting activities in information technology telecommunication and network security sectors.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULT

	RM
Profit for the financial year	<u>1,019,915</u>

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

ULTIMATE HOLDING COMPANY

The Directors regard Sterlite Technologies Limited, a company incorporated in India and listed on the National Stock Exchange of India, as the ultimate holding company.

DIRECTORS

The name of the Directors of the Company in office during the financial year and during the period commencing from the end of the financial year to the date of this report are as follows:-

Grace Amondi Odhiambo
Kattunga Srinivasa Rao (Appointed on 9 June 2020)
Saikat Mitra (Appointed on 30 April 2021)
Anshoo Gaur (Resigned on 9 June 2020)
Radheshyam Soni (Resigned on 30 April 2021)

DIRECTORS' FEES AND BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or became entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Directors or with a firm of which the Directors is a member, or with a company in which the Directors has a substantial financial interest.

DIRECTORS' INTERESTS IN SHARES

According to the register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at year end are as follows:-

	Number of ordinary shares			
	At 1 April <u>2020</u>	<u>Bought</u>	<u>Sold</u>	At 31 March <u>2021</u>
The Company				
Direct interest				
Radheshyam Soni	-	1	-	1

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

ISSUE OF SHARE AND DEBENTURES

There were no changes in the issued and paid-up capital and no debentures were issued during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were made out, the Directors took reasonable steps:-

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

- (a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of financial year which will or may affect the ability of the Company to meet its obligations as and when they fall due;
- (b) the results of operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

OTHER STATUTORY INFORMATION (CONT'D)

In the opinion of the Directors (cont'd):-

- (c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the current financial year in which this report is made.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There was no indemnity coverage and insurance premium paid for Directors and officers of the Company during the financial year.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

The significant events during the financial year and subsequent to the reporting period are disclosed in Note 18 to the financial statements.

AUDITORS

The total amount of fees paid to or receivable by the Auditors, Grant Thornton Malaysia PLT, as remuneration for their services as Auditors of the Company for the financial year ended 31 March 2021 amounted to RM40,000.

The Company has agreed to indemnify the Auditors, Grant Thornton Malaysia PLT, as permitted under Section 289 of the Companies Act 2016 in Malaysia. No payment has been made to indemnify Grant Thornton Malaysia PLT for the financial year ended 31 March 2021.

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.



 SAIKAT MITRA



 KATTUNGA SRINIVASA RAO

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DIRECTORS

India
 19 July 2021

Registration No: 201501026891 (1152215 - W)

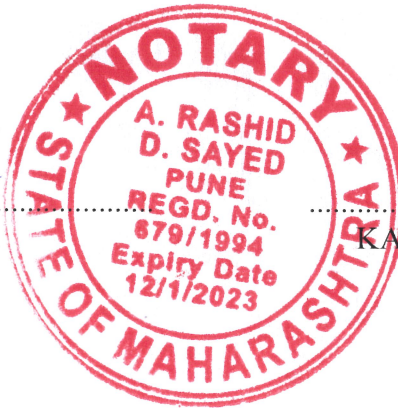
ELITECORE TECHNOLOGIES SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 13 to 41 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Board of Directors.


SAIKAT MITRA





KATTUNGA SRINIVASA RAO

India
19 July 2021

STATUTORY DECLARATION

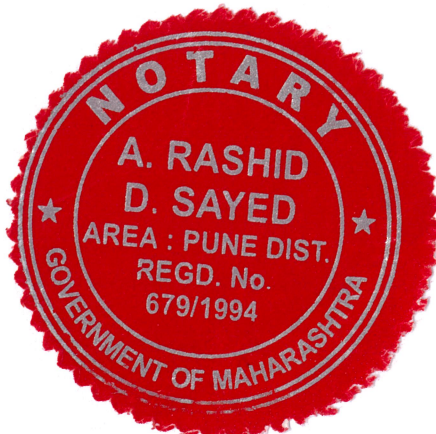
I, Saikat Mitra, being the Director primarily responsible for the financial management of Elitecore Technologies Sdn. Bhd., do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 13 to 41 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, in India.

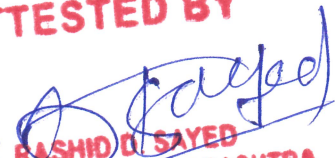
Subscribed and solemnly declared by)
the abovenamed at India)
19 July 2021)


SAIKAT MITRA

Before me:

Commissioner for Oaths



ATTESTED BY

A. RASHID D. SAYED
NOTARY, STATE OF MAHARASHTRA
PUNE.
19 JUL 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ELITECORE TECHNOLOGIES SDN. BHD.

(Incorporated in Malaysia)

Registration No: 201501026891 (1152215 - W)

Grant Thornton Malaysia PLT

Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

T +603 2692 4022

F +603 2691 5229

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Elitecore Technologies Sdn. Bhd. (“the Company”), which comprise the statement of financial position as at 31 March 2021 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 13 to 41.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2021, and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Registration No: 201501026891 (1152215 - W)

Report on the Audit of the Financial Statements (cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company 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 of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

Registration No: 201501026891 (1152215 - W)

Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Company, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of Directors' 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 auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with the Directors 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 identified during our audit.

Registration No: 201501026891 (1152215 - W)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.


GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

Kuala Lumpur
21 July 2021


DATO' N.K. JASANI
(NO: 00708/03/2022 J)
CHARTERED ACCOUNTANT

ELITECORE TECHNOLOGIES SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
ASSETS			
Non-current asset			
Deferred tax assets	4	387,000	13,000
Total non-current asset		387,000	13,000
Current assets			
Trade receivables	5	1,537,371	1,847,706
Other receivables	6	8,690	45,859
Tax recoverable		-	14,451
Cash and bank balances		2,929,221	2,014,674
Total current assets		4,475,282	3,922,690
TOTAL ASSETS		4,862,282	3,935,690
EQUITY AND LIABILITIES			
EQUITY			
Equity attributable to owners of the Company:-			
Share capital	7	100	100
Retained earnings		2,835,235	1,815,320
Total equity		2,835,335	1,815,420
LIABILITIES			
Current liabilities			
Trade payables	8	1,302,910	1,252,708
Other payables	9	362,264	248,189
Amount due to holding company	10	325,958	619,373
Tax payable		35,815	-
Total current liabilities/Total liabilities		2,026,947	2,120,270
TOTAL EQUITY AND LIABILITIES		4,862,282	3,935,690

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

ELITECORE TECHNOLOGIES SDN. BHD.

(Incorporated in Malaysia)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
Revenue	11	5,821,698	5,848,228
Cost of sales		<u>(4,273,135)</u>	<u>(4,621,733)</u>
Gross profit		1,548,563	1,226,495
Other income		22,627	-
Administration expenses		(239,536)	(287,274)
Other expenses		<u>(348,862)</u>	<u>-</u>
Profit before tax	12	982,792	939,221
Tax income/(expense)	13	<u>37,123</u>	<u>(263,125)</u>
Net profit/Total comprehensive income for the financial year		<u><u>1,019,915</u></u>	<u><u>676,096</u></u>

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

Registration No: 201501026891 (1152215 - W)

ELITECORE TECHNOLOGIES SDN. BHD.

(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	Share capital RM	Retained earnings RM	Total RM
Balance at 1 April 2019	100	1,139,224	1,139,324
Total comprehensive income for the financial year	-	676,096	676,096
Balance at 31 March 2020	100	1,815,320	1,815,420
Total comprehensive income for the financial year	-	1,019,915	1,019,915
Balance at 31 March 2021	100	2,835,235	2,835,335

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

ELITECORE TECHNOLOGIES SDN. BHD.

(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	<u>2021</u> RM	<u>2020</u> RM
OPERATING ACTIVITIES		
Profit before tax	982,792	939,221
Adjustments for:-		
Allowance for impairment loss on receivables	300,000	-
Bad debt written off	48,862	-
Unrealised (gain)/loss on foreign exchange	<u>(13,949)</u>	<u>18,970</u>
Operating profit before working capital changes	1,317,705	958,191
Changes in working capital:-		
Receivables	47,504	15,955
Payables	115,415	19,856
Holding company	<u>(420,023)</u>	<u>(453,261)</u>
Cash generated from operations	1,060,601	540,741
Tax refunded	-	102,977
Tax paid	<u>(286,611)</u>	<u>(284,950)</u>
Net cash from operating activities	<u>773,990</u>	<u>358,768</u>
FINANCING ACTIVITY		
Advance from holding company	<u>140,557</u>	-
Net cash from financing activity	<u>140,557</u>	-
CASH AND CASH EQUIVALENTS		
Net changes	914,547	358,768
Brought forward	<u>2,014,674</u>	<u>1,655,906</u>
Carried forward	<u><u>2,929,221</u></u>	<u><u>2,014,674</u></u>

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

ELITECORE TECHNOLOGIES SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2021

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 1, No. 11, Jalan PJU 1A/41B, NZX Commercial Centre, Ara Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at Block 2 & 3, Magnet Corporate Park, Near Sola Flyover, Off G Highway, Thaltej, Ahmedabad 3800054 Gujerat, India.

The Directors regard Sterlite Technologies Limited, a company incorporated in India and listed on the National Stock Exchange of India, as the ultimate holding company.

The Company is principally engaged in provide global IT products and services by undertaking projects on turnkey basis, providing hardware, software, technology business solutions, infrastructure development, service for system development, installations, maintenance, support, consulting, outsourcing, contracting activities in information technology telecommunication and network security sectors.

There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 19 July 2021.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of measurement

The financial statements of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (“RM”) which is the Company’s functional currency and all financial information is presented in RM unless otherwise stated.

2.4 MFRSs

2.4.1 Adoption of new standards/amendments/improvements to MFRSs

The Company has consistently applied the accounting policies set out in Note 3 to all financial years presented in these financial statements.

At the beginning of the current financial year, the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial years beginning on or after 1 January 2020.

Initial application of new amendments/improvements to the standards did not have significant material impact to the financial statements.

2.4.2 Standards issued but not yet effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by Malaysia Accounting Standards Board (“MASB”) but are not yet effective and has not been early adopted by the Company.

Management anticipates that all of the relevant pronouncement will be adopted in the Company’s accounting policies for the first period beginning after the effective date of the pronouncement.

The initial application of new standards, amendments and interpretations are not expected to have any material impacts to the financial statements of the Company.

2.5 Significant accounting estimates and judgements

The preparation of financial statements for the Company requires the use of certain judgements, estimates and assumptions. Accounting estimates and judgements are being constantly reviewed against historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances. However, because of uncertainty in determining future events and its impacts, actual result could differ from the estimates reported.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant accounting estimates and judgements (cont'd)

2.5.1 Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses, unabsorbed capital allowances and unused tax credits to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences, unutilised tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence, there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statement of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

Provision for expected credit losses ("ECL") of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on the repayment pattern of the customers, customers type and coverage by letters of credit.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant accounting estimates and judgements (cont'd)

2.5.1 Estimation uncertainty (cont'd)

Provision for expected credit losses (“ECL”) of trade receivables (cont'd)

The assessment of the correlation between historical observed rates, forecast economic conditions and ECL is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default rate in the future.

The carrying amount of the Company's receivables at the end of the reporting date are disclosed in Notes 5 and 6 to the financial statements.

Income taxes

Significant estimation is involved in determining the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the financial year in which such determination is made.

2.5.2 Significant management judgements

The following are significant management judgements in applying the accounting policies of the Company that have most significant effect on the financial statements.

Determining the lease term of contracts with renewal and termination options - Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

2.5 Significant accounting estimates and judgements (cont'd)

2.5.2 Significant management judgements (cont'd)

Determining the lease term of contracts with renewal and termination options - Company as lessee (cont'd)

The Company included the renewal period as part of the lease term for leases of building with shorter non-cancellable period (i.e., three to five years). The Company typically exercises the option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available.

Deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Company's latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

The carrying value of deferred tax assets of the Company at the reporting date was RM387,000 (2020: RM13,000) as disclosed in Note 4 to the financial statements. If the taxable profits differ by 1% due to the change in estimated future results from operating activities, the Company's deferred tax assets will vary by RM3,870 (2020: RM130).

3. SIGNIFICANT ACCOUNTING POLICIES

The Company applies the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements, unless otherwise stated.

3.1 Financial instruments

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

3.1.1 Financial assets

3.1.1.1 Initial recognition and categorisation

At initial recognition, financial assets are classified and subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL").

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

3.1.1 Financial assets (cont'd)

3.1.1.1 Initial recognition and categorisation (cont'd)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

At the reporting date, the Company has not designated any financial assets at FVTOCI and FVTPL. The Company carries only financial assets measured at amortised cost on its statement of financial position.

Financial assets at amortised cost

Financial assets measured at amortised cost if both of the conditions are met:-

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flow; and
- The contractual terms of the financial asset give rise to cash flows that are SPPI on specified dates.

3.1.1.2 Subsequent measurement

Financial assets at amortised cost are subsequently measured using effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include trade and most of the other receivables and cash and bank balances.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

3.1.2 Impairment of financial assets

The Company recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and economic environment.

The Company considers a financial asset in default when contractual payments are past due. However, in certain cases, the Company may also considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.1.3 Financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless it is designated as a financial liability at fair value through profit or loss.

At the reporting date, the Company has not designated any financial liabilities at fair value through profit or loss. The Company carries only other financial liabilities measured at amortised cost on its statement of financial position.

Other financial liabilities measured at amortised cost

The Company’s other financial liabilities include amount due to holding company and trade and most of the other payables.

Other financial liabilities are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

3.1.4 Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset have expired or control of the asset is not retained or substantially all of the risk and rewards of ownership of the financial asset are transferred to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

The Company derecognises a financial liability when their contractual obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.1.5 Offsetting of financial instruments

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

3.2 Cash and cash equivalents

Cash and cash equivalents comprise of bank balances, which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the statement of financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the end of the reporting period are classified as non-current asset.

3.3 Equity and reserves

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Retained earnings include all current and prior financial year's profit.

All transactions with owners of the Company are recorded separately within equity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when 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. Provisions are not recognised for future operating losses.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where 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.

3.5 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.5.1 As a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Short-term leases

The Company applies the short-term lease recognition exemption to their short-term leases of retail shoplot (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

3.6 Revenue recognition

Revenue from contracts with customers

The Company recognises revenue from contracts with customers for goods or services based on the five-step model as set out in this standards:-

- i. Identify contracts with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.6 **Revenue recognition (cont'd)**

Revenue from contracts with customers (cont'd)

The Company recognises revenue from contracts with customers for goods or services based on the five-step model as set out in this standards (cont'd):-

- ii. Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer either a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.
- iii. Determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- iv. Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Company allocates transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
- v. Recognise revenue when (or as) the Company satisfies a performance obligation. An asset is transferred when (or as) the customer obtains control of the asset.

The Company satisfies a performance obligation and recognise revenue over time if the Company's performance:-

- i. Does not create an asset with an alternative use to the Company and has an enforceable right to payment for performance completed to-date; or
- ii. Creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii. Provides benefits that the customer simultaneously receives and consumes as the Company performs.

For performance obligations where any one of the above conditions not met, revenue is recognised at a point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or service, it creates a contract based on asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Revenue recognition (cont'd)

Revenue from contracts with customers (cont'd)

Revenue is measured at fair value of consideration received or receivable. The followings describe the performance obligation in contracts with customers:-

3.6.1 Sales of goods and rendering of services

The Company provides global IT products and services. Revenue from providing services is recognised at over time, which is typically on services rendered. The revenue is recognised net of any related rebates, discounts and tax. The Company shall disaggregates revenue recognised from contracts with customer into categories that depict how the nature, amounting, timing and uncertainty of revenue and cash flows are affected by economic factors as disclosed in Note 11 to the financial statements.

3.7 Employee benefits

3.7.1 Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year in which the associated services are rendered by the employees of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occurred.

3.7.2 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as expenses in the profit or loss as incurred. As required by law, the Company makes such contributions to the Employee Provident Fund ("EPF").

3.8 Tax expense

Tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

3.8.1 Current tax

Current tax expense is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised in the statement of financial position as liability (or asset) to the extent that it is unpaid (or refundable).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Tax expense (cont'd)

3.8.1 Current tax (cont'd)

Current tax is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

3.8.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.9 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statement of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3.10 Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:-

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

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

3.12 Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements ("the reporting entity"). A related party transaction is a transfer of resources, services or obligations between the reporting entity and its related party, regardless of whether a price is charged.

- (a) A person or a close member of that person's family is related to the reporting entity if that person:-
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity.

- (b) An entity is related to the reporting entity if any of the following conditions applies:-
 - (i) The entity and the reporting entity are members of the same group.
 - (ii) One entity is an associate or joint venture of the other entity.
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity.
 - (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
 - (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the ultimate holding company or the entity.
 - (viii) The entity, or any member of a group of which it is a party, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

4. DEFERRED TAX ASSETS

	<u>2021</u> RM	<u>2020</u> RM
Brought forward	13,000	17,831
Recognised in profit or loss (Note 13)	<u>374,000</u>	<u>(4,831)</u>
Carried forward	<u><u>387,000</u></u>	<u><u>13,000</u></u>

Deferred tax assets are made up of temporary differences arising from:-

	<u>2021</u> RM	<u>2020</u> RM
Allowance for impairment losses on receivables	74,000	2,000
Others	<u>313,000</u>	<u>11,000</u>
	<u><u>387,000</u></u>	<u><u>13,000</u></u>

5. TRADE RECEIVABLES

	<u>2021</u> RM	<u>2020</u> RM
Trade receivables	1,844,985	1,855,320
Less: Allowance for impairment losses	<u>(307,614)</u>	<u>(7,614)</u>
	<u><u>1,537,371</u></u>	<u><u>1,847,706</u></u>

5.1 Trade receivables are unsecured, non-interest bearing and the normal trade credit terms ranged from 30 to 60 (2020: 30 to 60) days are granted for certain customers, of which short-term credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amount which represent their fair values on initial recognition. Information on financial risk of trade receivables is disclosed in Note 15 to the financial statements.

5.2 An impairment analysis performed at each reporting date using a provision of matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type, customer type and rating, and other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment.

5. TRADE RECEIVABLES (CONT'D)

5.2 Cont'd

The following table provides information about the credit risk exposure on the Company's trade receivables using a provision of matrix:-

	← Days past due →				Total RM
	Current RM	< 31 to 60 days RM	61 to 90 days RM	> 91 days RM	
<u>2021</u>					
Expected credit loss rate	Nil	Nil	Nil	Nil	Nil
Gross carrying amount	1,537,371	-	-	307,614	1,844,985
Gross carrying amount (excluding individual impaired)	1,537,371	-	-	-	1,537,371
Expected credit loss (individual)	-	-	-	307,614	307,614
<u>2020</u>					
Expected credit loss rate	Nil	Nil	Nil	Nil	Nil
Gross carrying amount	1,287,900	-	259,806	307,614	1,855,320
Gross carrying amount (excluding individual impaired)	1,287,900	-	259,806	300,000	1,847,706
Expected credit loss (individual)	-	-	-	7,614	7,614

The provision rates are Nil for collective impairment because there are no historical credit losses for the past financial years and there has not been a significant change in credit quality, the amounts past due are still considered recoverable.

6. OTHER RECEIVABLES

	<u>2021</u> RM	<u>2020</u> RM
Prepayments	734	4,506
Deposits	5,800	39,197
Non-trade receivables	2,156	2,156
	<u>8,690</u>	<u>45,859</u>

7. **SHARE CAPITAL**

	Number of ordinary <u>shares</u> Unit	<u>Amount</u> RM
Issued and fully paid with no par value:-		
Brought forward/Carried forward	<u>100</u>	<u>100</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and ranks equally with regard to the Company's residual assets.

8. **TRADE PAYABLES**

	<u>2021</u> RM	<u>2020</u> RM
Contract liabilities	<u>1,302,910</u>	<u>1,252,708</u>
Brought forward	1,252,708	1,215,000
Deferred during the financial year	1,473,392	1,460,100
Recognised as revenue during the financial year	<u>(1,423,190)</u>	<u>(1,422,392)</u>
Carried forward	<u>1,302,910</u>	<u>1,252,708</u>

9. **OTHER PAYABLES**

	<u>2021</u> RM	<u>2020</u> RM
Non-trade payables	139,993	103,951
Accruals	135,250	120,200
SST	<u>87,021</u>	<u>24,038</u>
	<u>362,264</u>	<u>248,189</u>

10. **AMOUNT DUE TO HOLDING COMPANY**

	<u>2021</u> RM	<u>2020</u> RM
Trade	185,401	619,373
Non-trade	<u>140,557</u>	<u>-</u>
	<u>325,958</u>	<u>619,373</u>

The amount due to holding company is unsecured, non-interest bearing and repayable on demand.

10. **AMOUNT DUE TO HOLDING COMPANY (CONT'D)**

The foreign currency exposure profile of amount due to holding company is as follow:-

	<u>2021</u> RM	<u>2020</u> RM
United States Dollar ("USD")	<u>185,401</u>	<u>619,373</u>

11. **REVENUE**

Revenue comprises the value of services rendered.

The Company's revenue disaggregated by pattern of revenue recognition is as follows:-

	<u>2021</u> RM	<u>2020</u> RM
Services rendered at over time	<u>5,821,698</u>	<u>5,848,228</u>

12. **PROFIT BEFORE TAX**

Profit before tax has been determined after charging/(crediting), amongst other items, the following:-

	<u>2021</u> RM	<u>2020</u> RM
Short-term lease expenses	68,754	122,350
Allowance for impairment losses on receivables	300,000	-
Bad debt written off	48,862	-
Unrealised (gain)/loss on foreign exchange	(13,949)	18,970
Realised gain on foreign exchange	<u>(8,678)</u>	<u>-</u>

13. **TAX (INCOME)/EXPENSE**

	<u>2021</u> RM	<u>2020</u> RM
Income tax		
- current financial year	345,063	263,294
- over provision in prior financial year	(8,186)	(5,000)
Deferred tax assets (Note 4)		
- current financial year	(85,000)	-
- (over)/under provision in prior financial year	<u>(289,000)</u>	<u>4,831</u>
	<u>(37,123)</u>	<u>263,125</u>

13. TAX (INCOME)/EXPENSE (CONT'D)

A reconciliation of tax (income)/expense applicable to profit before tax at the statutory tax rate to tax (income)/expense at the effective tax rate of the Company are as follow:-

	<u>2021</u> RM	<u>2020</u> RM
Profit before tax	<u>982,792</u>	<u>939,221</u>
Tax at Malaysian statutory tax rate of 24%	235,870	225,413
Tax effects in respect of:-		
Expenses not deductible for tax purposes	27,541	37,881
Non-taxable income	(3,348)	-
(Over)/under provision of deferred tax in prior financial year	(289,000)	4,831
Over provision of tax expense in prior financial year	<u>(8,186)</u>	<u>(5,000)</u>
	<u>(37,123)</u>	<u>263,125</u>

14. RELATED PARTY

(a) Related party transactions

The significant related party transactions are as follow:-

	<u>2021</u> RM	<u>2020</u> RM
Operating expenses charged by holding company	<u>562,590</u>	<u>815,547</u>

(b) Related party balances

The outstanding balances arising from related party transactions are disclosed in Note 10 to the financial statements.

(c) Compensation of key management personnel

Key management personnel are defined as the person having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

The Company has no other members of key management personnel other than the Board of Directors.

15. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

- (a) Financial assets measured at amortised cost (“FA”); and
 (b) Other financial liabilities measured at amortised cost (“OFL”).

	Carrying amount RM	FA RM	OFL RM
<u>2021</u>			
Financial assets			
Trade receivables	1,537,371	1,537,371	-
Other receivables	7,956	7,956	-
Cash and bank balances	2,929,221	2,929,221	-
	<u>4,474,548</u>	<u>4,474,548</u>	<u>-</u>
Financial liabilities			
Trade payables	1,302,910	-	1,302,910
Other payables	275,243	-	275,243
Amount due to holding company	325,958	-	325,958
	<u>1,904,111</u>	<u>-</u>	<u>1,904,111</u>
<u>2020</u>			
Financial assets			
Trade receivables	1,847,706	1,847,706	-
Other receivables	41,353	41,353	-
Cash and bank balances	2,014,674	2,014,674	-
	<u>3,903,733</u>	<u>3,903,733</u>	<u>-</u>
Financial liabilities			
Trade payables	1,252,708	-	1,252,708
Other payables	224,151	-	224,151
Amount due to holding company	619,373	-	619,373
	<u>2,096,232</u>	<u>-</u>	<u>2,096,232</u>

15. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies

Financial risks

The Company is exposed to financial risks arising from its operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Company's business whilst managing its risks. The Company operates within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Company and the policy in respect of the major areas of treasury activity are set out as follows:-

(a) **Credit risk**

Credit risk refers to the risk that a counterparty will default in its contractual obligations resulting in financial loss to the Company. The Company adopts the policy of dealing with customers of appropriate standing to mitigate credit risk and customers who wish to trade on credit terms are subject to credit evaluation. Receivables are monitored on an ongoing basis to mitigate risk of bad debts. For other financial assets, the Company adopts the policy of dealing with reputable institutions.

Exposure to credit risk

The Company's maximum exposure to credit risk is represented by the carrying amount of financial assets recognised at the reporting date, as summarised below:-

	<u>2021</u> RM	<u>2020</u> RM
Classes of financial assets:-		
Trade receivables	1,537,371	1,847,706
Other receivables	7,956	41,353
Cash and bank balances	<u>2,929,221</u>	<u>2,014,674</u>
Carrying amount	<u>4,474,548</u>	<u>3,903,733</u>

The credit risk for bank balances are considered negligible, since the counterparties are reputable licensed financial institutions with high quality external credit ratings.

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used.

15. **FINANCIAL INSTRUMENTS (CONT'D)**

Financial risk management objectives and policies (cont'd)

Financial risks (cont'd)

(a) **Credit risk (cont'd)**

The Company's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality. None of the Company's financial assets are secured by collateral or other credit enhancements and none of the carrying amount of financial assets whose terms have been renegotiated that would otherwise be past due or impaired.

Receivables

Concentration of credit risk

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instrument is broadly diversified along geographical lines and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or a group of counterparties having similar characteristics except for 100% (2020: 100%) of total Company's trade receivables were due from one (2020: one) major customer.

In respect of other receivables, the Company is not subjected to any significant credit risk exposure to any single counterparty or a group of counterparties having similar characteristics.

The net carrying amount of receivables is considered a reasonable approximate of its fair value. The maximum exposure to credit risk is the carrying value of each class of receivables as disclosed in Notes 5 and 6 to the financial statements.

It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Company does not offer credit terms without the approval of the head of credit control.

15. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

Financial risks (cont'd)

(a) Credit risk (cont'd)

Receivables (cont'd)

Concentration of credit risk (cont'd)

With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, the management has taken reasonable steps to ensure that receivables are stated at their realisable values. A significant portion of the receivables are regular customers that have been transacting with the Company. The Company uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due, due to shortage of funds.

In managing its exposures to liquidity risk arises principally from its various payables and amount due to holding company, the Company maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities as and when they fall due.

The Company aims at maintaining a balance of sufficient cash and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as below:-

	Current	← Non-current →		Total contractual cash flow RM
	Less than <u>1 year</u> RM	2-5 <u>years</u> RM	More than <u>5 years</u> RM	
<u>2021</u>				
Non-derivative financial liabilities				
Trade payables	1,302,910	-	-	1,302,910
Other payables	275,243	-	-	275,243
Amount due to holding company	325,958	-	-	325,958
Total undiscounted financial liabilities	<u>1,904,111</u>	<u>-</u>	<u>-</u>	<u>1,904,111</u>

15. FINANCIAL INSTRUMENTS (CONT'D)

Financial risk management objectives and policies (cont'd)

Financial risks (cont'd)

(b) Liquidity risk (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as below (cont'd):-

	Current	← Non-current →		Total contractual cash flow RM
	Less than <u>1 year</u> RM	2-5 <u>years</u> RM	More than <u>5 years</u> RM	
<u>2020</u>				
Non-derivative financial liabilities				
Trade payables	1,252,708	-	-	1,252,708
Other payables	224,151	-	-	224,151
Amount due to holding company	<u>619,373</u>	<u>-</u>	<u>-</u>	<u>619,373</u>
Total undiscounted financial liabilities	<u>2,096,232</u>	<u>-</u>	<u>-</u>	<u>2,096,232</u>

The above amounts reflect the contractual undiscounted cash flows, which may differ from the carrying values of financial liabilities as at the reporting date.

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign currency risk on amount due to holding company that is denominated in a currency other than the Company's functional currency. The currency giving rise to this risk is primarily United States Dollar ("USD").

Carrying amounts of the Company's exposure to foreign currency risk are as follows:-

	<u>USD</u> RM
<u>2021</u>	
Amount due to holding company	<u>185,401</u>
Net exposure	<u>185,401</u>
<u>2020</u>	
Amount due to holding company	<u>619,373</u>
Net exposure	<u>619,373</u>

15. **FINANCIAL INSTRUMENTS (CONT'D)**

Financial risk management objectives and policies (cont'd)

Financial risks (cont'd)

(c) **Foreign currency risk (cont'd)**

Foreign currency sensitivity analysis

The following table illustrates the sensitivity of the Company's profit to a reasonable possible change in RM/USD exchange rate which 'all other things being equal'.

It assumes a +/- 1% (2020: 1%) change of the RM/USD exchange rate for the financial year is deemed possible. The percentage has been determined based on average market volatility in exchange rates in previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instrument held at each reporting date.

If the RM had strengthened against the USD, then the impact would be as follows:-

	<u>2021</u> RM	<u>2020</u> RM
Effect on profit for the financial year - USD	<u>1,854</u>	<u>6,194</u>

If RM had weakened against the USD, then the impact to profit for the financial year would be the opposite effect.

Exposures to foreign exchange rate vary during the financial year depending on the amount outstanding. Nonetheless, the analysis above is considered to be representative of the Company's exposure to currency risk.

16. **FAIR VALUE HIERARCHY**

As at the reporting date, the Company has no financial instruments that are measured subsequent to initial recognition at fair value and hence fair value hierarchy is not presented.

17. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders' value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes in the Company's approach to capital management during the financial years ended 31 March 2021 and 31 March 2020.

18. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries.

The Government of Malaysia Government has again imposed the Movement Control Order ("MCO") and Conditional Movement Control ("CMCO") for selected states which are severely affected by the novel coronavirus ("COVID 19- pandemic") on 11 January 2021. Besides, the Malaysia King declared state of emergency for the country until 1 August 2021 to curb the spread of Covid-19 on 12 January 2021.

The emergence of the COVID-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Company operates.

On 11 May, MCO 3.0 is reinstated from 12 May 2021 to 7 June 2021. On 28 May 2021, the Government of Malaysia has imposed nationwide "total lockdown" on all social and economic sectors in Malaysia from 1 June 2021 to 14 June 2021. This has resulted in travel restriction, lockdown and other precautionary measures imposed by relevant local authorities.

The restrictions imposed has significantly disrupted the Company's operation. The Company have performed assessment of the overall impact of the situation on the Company's operations, including the recoverability of the carrying amount of assets and measurements of assets and liabilities.

As at the date of authorisation of the financial statements, the COVID-19 pandemic situation is still evolving and uncertain. The Company will continue to actively monitor and manage its funds and operations to minimise any impact arising from the COVID-19 pandemic.

Impact data Solutions BV

**Financial Statements for the period
ended March 31, 2021**

Annual report 2020

Impact Data Solutions B.V.

Utrecht

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Financial statements

Balance sheet as at 31 December 2020

(After proposal distribution of result)

		31 December 2020		31 December 2019	
		EUR	EUR	EUR	EUR
ASSETS					
Fixed assets					
Property, plant and equipment	1		3.124		10.775
Current assets					
Construction contracts	2		275.045		490.555
Receivables	3		165.882		67.433
Cash and cash equivalents	4		1.632.902		2.504.094
			<u>2.076.953</u>		<u>3.072.857</u>
LIABILITIES					
Equity					
Share capital paid called up	5				
General reserve	6	18.000		18.000	
		<u>1.336.440</u>		<u>1.036.696</u>	
			1.354.440		1.054.696
Short-term liabilities	7		722.513		2.018.161
			<u>2.076.953</u>		<u>3.072.857</u>

Statement of income and expenses for the year 2020

		2020		2019	
		EUR	EUR	EUR	EUR
Net Turnover	8	3.470.872		3.235.120	
Cost of sales	9	<u>(2.296.542)</u>		<u>(1.796.765)</u>	
Gross margin			1.174.330		1.438.355
Expenses of employee benefits	10	695.090		586.033	
Depreciations	11	7.651		9.248	
Other operating expenses	12	<u>85.704</u>		<u>105.409</u>	
Total of sum of expenses			<u>788.445</u>		<u>700.690</u>
Total of operating result			385.885		737.665
Financial income and expense	13		<u>16.418</u>		<u>(6.564)</u>
Total of result before tax			402.303		731.101
Income tax expense	14		<u>(102.559)</u>		<u>(205.614)</u>
Total of result after tax			<u><u>299.744</u></u>		<u><u>525.487</u></u>

Notes to the financial statements

ENTITY INFORMATION

Registered address and registration number trade register

The registered and actual address of Impact Data Solutions B.V. is Zonnebaan 9, 3542 EA in Utrecht. Impact Data Solutions B.V. is registered at the Chamber of Commerce under number 55655858.

GENERAL NOTES

The most important activities of the entity

The activities of Impact Data Solutions B.V. consist mainly of information-technology activities.

GENERAL ACCOUNTING PRINCIPLES

The accounting standards used to prepare the financial statements

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

ACCOUNTING PRINCIPLES

Construction contracts

Construction contracts commissioned by third parties comprises the balance of project costs realised, profit attributed, and if applicable, recognised losses and instalments already invoiced. Construction contracts are separately presented in the balance sheet under current assets. If it shows a credit balance, this will be presented under current liabilities.

Expenditure relating to project costs for work not yet performed is recognised under inventories.

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents

Cash at banks and in hand represent cash in hand, bank balances and deposits with terms of less than twelve months. Overdrafts at banks are recognised as part of debts to lending institutions under current liabilities. Cash at banks and in hand is valued at nominal value.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal value.

Accounting principles for determining the result

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover.

Income tax expense

Tax on the result is calculated based on the result before tax in the statement of income and expenses, taking account of the losses available for set-off from previous financial years and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

Notes to the balance sheet

Assets

FIXED ASSETS

	<u>31-12-2020</u>	<u>31-12-2019</u>
	EUR	EUR
1 Property, plant and equipment		
Machinery	2.269	6.142
Transportation	-	2.923
Other fixed assets	855	1.710
	<u>3.124</u>	<u>10.775</u>

Property, plant and equipment

	Machinery	Transporta- tion	Other fixed assets	Total
	EUR	EUR	EUR	EUR
Balance as at 1 January 2020				
Cost or manufacturing price	19.364	22.598	4.275	46.237
Accumulated depreciation	(13.222)	(19.675)	(2.565)	(35.462)
Book value as at 1 January 2020	<u>6.142</u>	<u>2.923</u>	<u>1.710</u>	<u>10.775</u>
Movements				
Depreciation	(3.873)	(2.923)	(855)	(7.651)
Balance movements	(3.873)	(2.923)	(855)	(7.651)
Balance as at 31 December 2020				
Cost or manufacturing price	19.364	22.598	4.275	46.237
Accumulated depreciation	(17.095)	(22.598)	(3.420)	(43.113)
Book value as at 31 December 2020	<u>2.269</u>	<u>-</u>	<u>855</u>	<u>3.124</u>

CURRENT ASSETS

	<u>31-12-2020</u>	<u>31-12-2019</u>
	EUR	EUR
2 Construction contracts		
Capitalised expenses for not yet provided services of construction contracts	<u>275.045</u>	<u>490.555</u>
2019 : See chapter 6 : Short-time liabilities		
3 Receivables		
Trade debtors	150.706	52.406
Other accounts receivable	12.092	12.093
Accrued income and prepaid expenses	<u>3.084</u>	<u>2.934</u>
	<u>165.882</u>	<u>67.433</u>
Other accounts receivable		
Office deposit	<u>12.092</u>	<u>12.093</u>
Accrued income and prepaid expenses		
Miscellaneous prepaid expenses	<u>3.084</u>	<u>2.934</u>
4 Cash and cash equivalents		
ABN AMRO Bank N.V. Current Account	1.629.854	2.501.046
ABN AMRO Bank N.V. Deposit	<u>3.048</u>	<u>3.048</u>
	<u>1.632.902</u>	<u>2.504.094</u>

Liabilities

5 Equity

Movements in equity were as follows:

	Share capital paid called up	General re- serve	Total
	EUR	EUR	EUR
Balance as at 1 January 2020	18.000	1.036.696	1.054.696
Appropriation of result	-	299.744	299.744
Balance as at 31 December 2020	18.000	1.336.440	1.354.440

6 Share capital paid called up

The authorised share capital is EUR 90.000,- divided into 900 ordinary shares of EUR 100,-. Issued share capital comprises of 180 ordinary shares.

	Shares EUR
Balance as at 1 January 2020	18.000
Movements	-
Balance as at 31 December 2020	18.000

	31-12-2020 EUR	31-12-2019 EUR
7 Short-term liabilities		
Construction contracts	241.987	1.181.654
Payables relating to taxes and social security contributions	104.993	511.935
Trade payables	375.533	324.572
	<u>722.513</u>	<u>2.018.161</u>

Current account Impact Data Solutions LTD

Balance as at 1 January	-	294
Changes group company	-	(299.268)
Proposed dividend	-	298.974
Balance as at 31 December	<u>-</u>	<u>-</u>

Payables relating to taxes and social security contributions

Value added tax	50.358	358.105
Company tax	54.635	153.830
	<u>104.993</u>	<u>511.935</u>

	<u>31-12-2020</u>	<u>31-12-2019</u>
	EUR	EUR
Construction contracts		
Amount withheld by clients of construction contracts	<u>241.987</u>	<u>1.181.654</u>
2020 : See chapter 2 : Construction contracts (Projects in Progress)		

SUBSEQUENT EVENTS

Post Balance sheet event

The Coronavirus COVID-19 as from the first quarter of 2020 has so far little impact on our business. Also for 2021, to the best of our knowledge, we do not have any doubts about the continuity of our organisation. Based on this we are of the opinion that the accounting policies are correctly based on the assumption of going concern.

Notes to the statement of income and expenses

	<u>2020</u>	<u>2019</u>
	EUR	EUR
8 Net Turnover		
Revenues	3.189.233	3.233.678
Revenue accrual	275.045	-
IDS Cross Charges	6.594	1.442
	<u>3.470.872</u>	<u>3.235.120</u>
9 Cost of sales		
Cost of sales	<u>2.296.542</u>	<u>1.796.765</u>
Cost of sales		
Cost of Sales	2.752.709	1.402.520
Projects in Progress	16.336	15.318
Direct Cost Accrual	(472.503)	378.927
	<u>2.296.542</u>	<u>1.796.765</u>
10 Expenses of employee benefits		
Other employee costs	<u>695.090</u>	<u>586.033</u>

Average number of employees

During the period 2020 there were no employees. All employees are being charged from IDS Ltd. Based on the basis of a full contract of service, in 2020, IDS BV was charged for 10,6 employees. (2019: 8,2)


	<u>2020</u>	<u>2019</u>
	EUR	EUR
Other employee costs		
Charged management costs	694.919	584.408
Study and training expenses	-	917
Other staff expenses	171	708
	<u>695.090</u>	<u>586.033</u>
11 DEPRECIATIONS		
Depreciation of property, plant and equipment	<u>7.651</u>	<u>9.248</u>
12 OTHER OPERATING EXPENSES		
Housing expenses	11.524	11.005
Selling expenses	13.354	28.947
Office expenses	2.115	1.724
General expenses	58.711	60.818
Other expenses	-	2.915
	<u>85.704</u>	<u>105.409</u>

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Housing expenses		
Rent expenses	10.147	9.663
Cleaning expenses	<u>1.377</u>	<u>1.342</u>
	<u>11.524</u>	<u>11.005</u>
Selling expenses		
Travelling and hotel expenses	12.409	27.118
Representation expenses	281	928
Car expenses	<u>664</u>	<u>901</u>
	<u>13.354</u>	<u>28.947</u>
Office expenses		
Telephone and fax expenses	1.446	813
Automation expenses	425	593
Printed matters	146	144
Postage expenses	-	144
Office supplies	<u>98</u>	<u>30</u>
	<u>2.115</u>	<u>1.724</u>
General expenses		
Other general expenses	43.685	44.873
Insurance premium	6.621	7.733
Consultancy expenses	4.118	4.162
Audit costs, other non-audit services	<u>4.287</u>	<u>4.050</u>
	<u>58.711</u>	<u>60.818</u>
Other expenses		
Sterlight related overheads	<u>-</u>	<u>2.915</u>
13 Financial income and expense		
Exchange differences & bank fees	16.418	-
Interest tax authorities	<u>-</u>	<u>(6.564)</u>
	<u>16.418</u>	<u>(6.564)</u>
Interest tax authorities		
Other interest expenses	<u>-</u>	<u>6.564</u>
14 Income tax expense		

For Dutch Corporate tax a provision of 25% of profit has been calculated.

Utrecht,

Impact Data Solutions B.V.

A handwritten signature in black ink, consisting of a large, stylized 'B' followed by a cursive 'R' and a wavy line ending in a small dash.

Benjamin Roland Parker
Director

Dear board members,

Accountant's compilation report

The financial statements of Impact Data Solutions B.V., Utrecht, have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2020 and the statement of income and expenses for the year then ended with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, 'Compilation engagements', which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work, in accordance with the applicable regulations, on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of Impact Data Solutions B.V.

During this engagement we have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

The Hague, 21 April 2021

Maas Accountants B.V.

A handwritten signature in blue ink, appearing to read 'G.J. Maas', is written over a light blue horizontal line.

G.J. Maas RA

Jiangsu Sterlite Tongguang Fiber Co Ltd

Financial Statements as on March 31, 2021



05132021040005786613
报告文号：苏公T[2021]E4003号

Jiangsu Sterlite Tongguang Fiber Co., Ltd

Report of the Auditors and Financial Statements

For April 2020 to March 2021



公证天业会计师事务所(特殊普通合伙)南通分所

Nantong Branch, Gongzheng Tianye Certified Public Accountants, SGP

中国·江苏·南通

电话: 86 (513) 55018131

传真: 86 (513) 55018133

Nantong, Jiangsu, China

Tel: 86 (513) 55018131

Fax: 86 (513) 55018133

AUDIT REPORT

SUGONG T(2021) No.E4003

To the shareholders of Jiangsu Sterlite Tongguang Fiber Co., Ltd.

I. Audit opinion

We have audited the financial statements prepared by Jiangsu Sterlite Tongguang Fiber Co., Ltd., comprising the balance sheet as at March 31, 2021, and the income statement, owner's equity changes statement and cash flow statement from April 1, 2020 to March 31, 2021, and the income statement for the period of Jan 1, 2021 to March 31, 2021. And notes to the financial statements.

In our opinion, the financial statements of the Company present fairly, in all material respects the financial position of the Company as of March 31, 2021, and its operation results & cash flows for April 1, 2020 to March 31, 2021 in accordance with the Accounting Standards for Enterprise of the People's Republic of China..

II. Basis for audit opinion

We conducted our audit in accordance with Independent Audit Standards promulgated by the Chinese Institute of Certified Public Accountants. In the paragraph "Responsibility of CPA", we shall detailed explain the corresponding responsibilities under the standards. We are independent with the engaged client, and fully abide by professional ethics during our job.

III. Responsibility of company's management

The preparation and fairly disclosure of the financial statements are the responsibility of the company's management. These responsibilities include: preparing & fairly disclosing the financial statements in accordance with Accounting Standard for Business Enterprises of the People's Republic of China;

Designing, implementing & maintaining of the internal control system related with the preparation of the financial statements to avoid any frauds & misstatement.

The management is responsible for the assessing & disclosure of the going –concern issue assumption of the company, unless the liquidation of the company is determined by no other choice.

The government level is responsible for the supervising of the whole reporting process.

IV. Responsibility of CPA

Our target is to express an opinion on the financial statement based on our audit. Those standards require that we plan and perform the audit to ensure there is no misstatement materially affecting the presentation of the net assets, financial position and results of operations in the financial statements in accordance with the applicable financial reporting of framework and are detected with reasonable assurance. But the reasonable assurance is not ensure that all the material misstatements could be fully identified by our audit procedure. If the individual misstatement (maybe from fraud or errors) aggregated materially affect the financial statement or economic decision, then, the misstatement should be identified.

During our audit process, the professional judgment and suspects shall be held. The details can be found as followings:

- (1). Identify & assess the material misstatements which are resulted from fraud & error , design and conduct the corresponding audit procedures to collect complete and appropriate evidence as the opinion basis. Due to the fraud may involve with collaboration , forgery , knowingly omissions , false statement or override of internal control system, the potential risk from fraud is higher than the risk resulted from the errors;
- (2). Understanding the related internal control system and taken into account in the determination of appropriate audit process, but the purpose is not to give the opinion on the effectiveness of the internal control system;
- (3). Assessing the appropriateness of the accounting policy applied by the management and evaluating the rationality of the accounting estimates & disclosure;
- (4). Conclusion of the appropriateness for the going concern assumption provided by the

management. Audit evidence shall be collected for the possible material uncertainty issues or may affect the going-concern conclusion of the company. If the uncertainty conclusion reached, the corresponding disclosure should be brought for the attention to the report users; otherwise, the modified opinion shall be expressed if the disclosure is not sufficient. Our audit conclusion is based on the information collected end at the reporting date, but the future items or events may affect the going concern assumption of the company.

(5). Evaluating the overall presentation of the financial statement, including the structure & contents and the judgment whether the related transactions and business activities are fairly presented.

Communications with governance have been conducted, including the audit scope, time plan, audit findings and the defects & weaknesses of the internal control system identified during our audit.

Nantong Branch, Gongzheng Tianye Certified Public Accountants, SGP

Certified Public Accountant of China CPA Yu Dong



Certified Public Accountant of China CPA Zhang Yulin

China · Nantong



12 April , 2021

BALANCE SHEET

Prepared by: Jiangsu Sterilite Tongguang Fiber Co., Ltd.

Mar. 31, 2021

Monetary Unit: RMB Yuan

ASSETS	REMAINING AT END OF YEAR	REMAINING AT BEG. OF YEAR	LIABILITIES AND OWNER'S EQUITY	REMAINING AT END OF YEAR	REMAINING AT BEG. OF YEAR
ASSETS:			LIABILITIES:		
Monetary funds	6,691,331.21	14,442,177.06	Short-term loans	31,173,550.56	60,669,995.05
Trading financial debt			Trading financial debt		
Notes receivable		594,390.00	Notes payable	1,595,187.14	7,787,079.43
Accounts receivable	20,220,420.56	19,931,983.71	Accounts payable	85,055,946.40	68,101,449.18
Accounts prepayments	10,314,328.79	33,431,342.21	Advance receivable	2,825.80	529,127.60
Interest receivable			Accrued staff's payroll	352,512.00	829,731.00
Dividends receivable			Taxes and expenses payable	212,428.21	194,142.98
Other receivable	17,530.00	97,930.00	Interest payable	61,817.91	185,294.62
Inventories	26,048,518.85	60,153,314.39	Dividends payable	850,000.00	850,000.00
Un-circulating assets maturing within one year			Amount other accrued payable	129,653.50	47,874.00
Other circulating assets	8,117,167.99	14,005,119.78	Un-circulating liabilities due within one year		
TOTAL CIRCULATING ASSETS	71,409,297.40	142,656,257.15	Other circulating liabilities		
UN-CIRCULATING ASSETS:			TOTAL CIRCULATING LIABILITIES	119,433,921.52	139,194,693.86
Financial assets of sales supply-able			UN-CIRCULATING LIABILITIES:		
Investment from keeping to maturity			Long-term loans	26,885,816.82	60,553,259.38
Long-term receivable			Bond payable		
Long-term investment in stock ownership			Long-term payables	2,550,000.00	2,550,000.00
Investment real estate			Related payable		
Fixed assets	352,833,925.78	373,965,403.13	Estimated liabilities		
Construction in progress		3,747,590.97	Deferred income	6,759,522.48	4,227,715.00
Engineering material			Deferral income-tax debt		
Liquidation of the fixed assets			Other un-circulating liabilities		
Productive living things assets			TOTAL UN-CIRCULATING LIABILITIES	36,195,339.30	67,330,974.38
Oil and gas assets			TOTAL LIABILITIES	155,629,260.82	206,525,668.24
Intangible assets	9,416,628.90	9,794,131.29	OWNER'S EQUITY		
Development expenditure			Paid-in capital	168,436,015.19	168,436,015.19
Business reputation			Capital surplus		
Long-term prepaid expense	41,580.00		Less: Shares in stock		
Assets in deferred-income-tax	4,368,733.69	4,368,733.69	Surplus reserves	27,202,610.23	27,202,610.23
Other Un-circulating assets			Undistributed profit	86,802,279.53	132,367,822.57
TOTAL UN-CIRCULATING ASSETS	366,660,868.37	391,875,859.08	TOTAL OWNER'S EQUITY	282,440,904.95	328,006,447.99
SUM TOTAL ASSETS	438,070,165.77	534,532,116.23	SUM TOTAL LIABILITIES AND OWNER'S EQUITY	438,070,165.77	534,532,116.23

Appendix II

Income Statements

Prepared by: Jiangsu Sterlite Tongguang Fiber Co., Ltd. April 2020 to March 2021

Monetary Unit: RMB Yuan

ITEM	AMOUNT OF CURRENT YEAR	AMOUNT OF LAST YEAR
I . TOTAL OPERATING INCOME	192,094,512.43	272,802,798.66
Including: Operating income	192,094,512.43	272,802,798.66
Including: Income from main operation	188,482,437.82	272,135,388.02
Income from other operation	3,612,074.61	667,410.64
Interest income		
Earned from insurance charge		
Payment for service charge and commission fee		
II . TOTAL OPERATION COST	241,399,464.10	315,412,057.08
Including: Operation cost	228,051,313.70	273,440,168.18
Including: Cost of main operation	228,051,313.70	273,440,168.18
Other business payment		
Main operation tax & additional expenses	846,122.87	853,810.55
Sales expense	3,891,919.93	4,303,824.70
General & administrative expense	14,022,233.25	15,620,184.46
R & D expense account	7,728,419.42	12,182,274.73
Financial expense	-5,197,255.57	7,444,708.22
Losses from depreciation of assets	-7,943,289.50	1,567,086.24
Add: Other income	2,656,535.58	5,273,197.02
Investment income (deficit, using "-")	329.80	66,129.64
Gain form fair value charge (deficit, using "-")		492,224.84
Income from disposal of assets(deficit, using "-")		-374,395.68
Remittance gain and loss (deficit, using "-")		
III. OPERATING PROFITS (deficit, using "-")	-46,648,086.29	-37,152,102.60
Add: Non-operating income	1,435,424.65	850,290.51
Less: Non-operating expenditure	352,881.40	2,999,734.08
Including: Disposal loss from un-circulating assets		
IV. SUM OF PROFIT (deficit, using "-")	-45,565,543.04	-39,301,546.17
Less: Expenses for income tax		-5,907,318.90
V. NET PROFIT (deficit, using "-")	-45,565,543.04	-33,394,227.27

Income Statements

Prepared by: Jiangsu Sterlite Tongguang Fiber Co., Ltd.

April 2020 to March 2021

Monetary Unit:
RMB Yuan

ITEM	January 2021 to March 2021	April 2020 to December 2020	April 2019 to March 2020
I . TOTAL OPERATING INCOME	16,334,466.43	175,760,046.00	272,802,798.66
Including: Operating income	16,334,466.43	175,760,046.00	272,802,798.66
Including: Income from main operation	16,327,332.03	172,155,105.79	272,135,388.02
Income from other operation	7,134.40	3,604,940.21	667,410.64
Interest income	0.00		-
Earned from insurance charge	-		-
Payment for service charge and commission fee	-		-
II . TOTAL OPERATION COST	27,781,885.83	213,617,578.27	315,412,057.08
Including: Operation cost	21,920,725.92	206,130,587.78	273,440,168.18
Including: Cost of main operation	21,920,725.92	206,130,587.78	273,440,168.18
Other business payment	-		
Main operation tax & additional expenses	205,892.35	640,230.52	853,810.55
Sales expense	217,073.70	3,674,846.23	4,303,824.70
General & administrative expense	3,441,423.33	10,580,809.92	15,620,184.46
R & D expense account	1,088,682.03	6,639,737.39	12,182,274.73
Financial expense	2,377,608.59	-7,574,864.16	7,444,708.22
Losses from depreciation of assets	-1,469,520.09	-6,473,769.41	1,567,086.24
Add: Other income	261,992.02	2,394,543.56	5,273,197.02
Investment income (deficit, using "-")	-	329.80	66,129.64
Gain form fair value charge (deficit, using "-")	-		492,224.84
Income from disposal of assets(deficit, using "-")	-		-374,395.68
Remittance gain and loss (deficit, using "-")	-		
III . OPERATING PROFITS (deficit, using "-")	-11,185,427.38	-35,462,658.91	-37,152,102.60
Add: Non-operating income	1,386,358.08	49,066.57	850,290.51
Less: Non-operating expenditure	50,000.00	302,881.40	2,999,734.08
Including: Disposal loss from un-circulating assets	-		
IV . SUM OF PROFIT (deficit, using "-")	-9,849,069.30	-35,716,473.74	-39,301,546.17
Less: Expenses for income tax	-		-5,907,318.90
V . NET PROFIT (deficit, using "-")	-9,849,069.30	-35,716,473.74	-33,394,227.27

Cash Flow Sheet

Prepared by: Jiangsu Sterlite Tongguang Fiber Co., Ltd.

April 2020 to March 2021

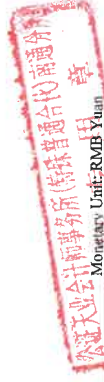


ITEM	SUM
I. CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from sale of goods or rendering of services	196,439,387.40
Refunds of taxes	24,236,837.78
Other cash received relating to the operating activities	2,237,176.02
Sub-Total Cash Inflows of Operating Activities	222,913,401.20
Cash paid for goods and services	127,185,057.76
Cash paid to and on behalf of employees	24,555,525.37
Paid all types of taxes	898,930.28
Other cash paid to relating to operating activities	17,218,059.96
Sub-Total Cash Outflows of Operating Activities	169,857,573.37
Net Cash Flows from Operating Activities	53,055,827.83
II. CASH FLOWS FROM INVESTMENT ACTIVITIES	
Cash received from return of investments	850,000.00
Cash received from earning of investments	329.80
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	
Net cash received from disposal of sub-company and other operating body	
Other cash received relating to investment activities	4,496,100.00
Sub-Total of Cash Inflows of Investing Activities	5,346,429.80
Cash paid to acquire fixed assets, intangible assets and other long-term assets	4,859,126.49
Cash paid to investments	850,000.00
Net cash received from sub-company and other operating body	
Other cash paid relating to investing activities	
Sub-Total of Cash Outflows of Investing Activities	5,709,126.49
Net cash flows from investing activities	-362,696.69
III. CASH FLOWS FROM FINANCING ACTIVITIES	
Cash received from the absorption of investments	
Cash received from borrowing	78,797,419.71
Other cash received relating to financing activities	
Sub-Total Cash Inflows of Financing Activities	78,797,419.71
Cash repayments Of amounts borrowed	139,963,237.25
Cash paid for distribution of dividends, profits or interests	2,689,454.35
Other cash paid relating to the financing activities	
Sub-Total Cash Outflows of Financing Activities	142,652,691.60
Net cash flows from financing activities	-63,855,271.89
IV. EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	1,308,478.90
V. NET INCREASE IN CASH AND CASH EQUIVALENTS	-9,853,661.85
Add: Cash & remaining of cash equivalents at beginning of the period	14,442,177.06
VI. CASH & CASH EQUIVALENTS REMAINING AT END OF THE PERIOD	4,588,515.21

Owner's Equity Changes Statement

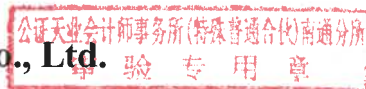
Prepared by: Jiangsu Sterile Tongguang Fiber Co., Ltd.

April 2020 to March 2021



ITEM	Paid-in capital	Capital surplus	Less: Shares in stock	Surplus reserves	Undistributed profit	Monetary Unit: RMB Yuan
						AMOUNT
I. REMAINING AT END OF LAST YEAR	168,436,015.19			27,202,610.23	132,367,822.57	328,006,447.99
Add: Changes in accounting policy						
Correct to last period						
II. REMAINING AT BEGINNING OF CURRENT YEAR	168,436,015.19			27,202,610.23	132,367,822.57	328,006,447.99
III. AMOUNT CHANGES OF CURRENT YEAR (decrement, using "-")						
(I). NET INCOME						
(II). GAIN AND LOSS OF DIRECTLY INTO OWNERS' EQUITY						
Fair value changes net amount from the financial assets of sales supply-able						
Amount influence from other owner's equity of the investee under equity method						
Amount of income-tax influence charged into owner's equity						
Others						
(III). INCREASE OR DECREASE CAPITAL BY OWNERS						
Owner's capital						
Amount of shares payment into owner's equity						
Others						
(IV). PROFIT DISTRIBUTION						
Withdrew surplus						
Profit distributed to owners (or stock holder)						
Other						
(V). INTERNAL TRANSFERING OF OWNER'S EQUITY						
Capital surplus splitting capital (or capital stock)						
Surplus splitting capital (or capital stock)						
Deficit coverage by surplus						
Other						
IV. REMAINING AT END OF THE CURRENT YEAR	168,436,015.19	-	-	27,202,610.23	86,802,279.53	282,440,904.95

Jiangsu Sterlite Tongguang Fiber Co., Ltd.



Notes to the Financial Statements

For April 2020 to March 2021

(All Amounts are in RMB unless otherwise stated)

I . GENERAL INFORMATION

Jiangsu Sterlite Tongguang Fiber Co., Ltd. (the “Company” hereafter) is a Joint Venture Company set up by M/s Sterlite Global Ventures (Mauritius) Ltd., a wholly owned subsidiary of M/s Sterlite Technologies Ltd, India and M/s Jiangsu Tongguang Communication Co. Ltd., China according to the approval letter [2011] No 8384 issued by the People’s Government of Jiangsu Province. The Company was registered with Nantong Haimen Administration Bureau of Industry and Commerce on January 19th, 2011 with the business license numbered 320684400011561. On June 27, 2018 it got the business license of a unified social code 91320684567766496K changed and issued by Haimen Administrative Approval Bureau. The Company’s Legal Representative is Mr.Ankit Agarwal. The Company’s approved business scope includes optical fiber technology consulting, development, design, manufacturing of optical fibers and optical fiber related products and sale of self-manufactured products. Optical fiber, optical fiber preform, and fiber optic cable products, wholesale, import and export and commission agency (excluding auction) of optical fiber, optical fiber preform, optical fiber cable and related products. The registered capital of the Company is USD 16.50 Million (i.e. RMB 103.84 million) same as the actual capital. M/s Sterlite Global Ventures (Mauritius) Ltd. has contributed USD 12.375 Million, accounting for 75% of the capital infused till now and M/s Jiangsu Tongguang Communication Co. Ltd has contributed USD 4.125 Million, accounting for 25% of the capital infused till now. On 20th March 2014, Company changed the registered capital as RMB 103,836,015.19 equaled with USD 16.50 Million.

According to the resolution of the board of directors of the company on March 28, 2018, the registered capital of the company is increased by undistributed profits of RMB 64.60 million, of which RMB 48.45 million is invested by Sterlite Global Ventures(Mauritius)Ltd., and RMB 16.15 million is invested by Jiangsu Tongguang Communication Co. Ltd. The

registered capital and paid-in capital after that are RMB 168,436,0



The business license of Jiangsu Sterlite Tongguang Fiber Co., Ltd has expired on January 17, 2021. Until April 12, 2021, the company is temporarily closed. At present, both shareholders of the company are negotiating restructuring, and it is expected that the business period will be extended and normal production and operation activities will be resumed after reaching an agreement by both parties in Coming one or two months.

II. BASIS OF PREPARATION

The Financial Statement is prepared on the basis of the Going Concern Principle.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Accounting System and Accounting Standards Adopted

The financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises and Accounting System for Business Enterprises of the People's Republic of China and other supplementary regulations.

Accounting Year

The Company has adopted the calendar year as its accounting year, i.e. from April 1 to March 31, it is special purpose financial statement prepared for period Apr. to Mar.

Recording Currency

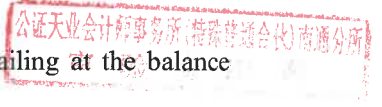
The recording currency of the Company is the Renminbi (RMB).

Basis of Accounting and Principle of Measurement

The Company has adopted the accrual basis of accounting and uses the historical cost convention as the principle of measurement.

Foreign Currency Translation

Transactions denominated in foreign currencies (currencies other than the recording currency) are converted into Renminbi at the applicable rate of exchange ("market exchange rate") prevailing at the first day of the trading month. Monetary assets and liabilities denominated in foreign



currencies are converted in to Renminbi at the market exchange rate prevailing at the balance sheet date. Exchange gains or losses are dealt with as finance costs, except for those attributable to foreign currency borrowings that have been used specifically for the construction of fixed assets before the assets are ready for their intended use, which are capitalized as part of the fixed asset costs.

Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Accounts receivable and bad debt reserves

The provision method of bad debts:

The company's bad debt losses is using allowance method of accounting. When bad debt losses are occurred, the corresponding provision for bad debts is written off with approval of Board and relevant management authorities.

The provision for bad debts method and ratio:

The provision for bad debts is made based on a combination of specific identification of assessments of probability and extent of loss referring to special accounts receivable, and the company should make provision of bad debts respectively. Specific accrual ratios are as follows:

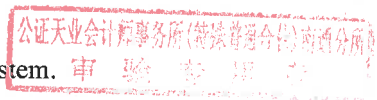
<u>Term overdue</u>	<u>Proportion of bad debt preparation for accounts receivable (%)</u>	<u>Proportion of bad debt preparation for other receivable (%)</u>
Within 1 year	-	-
1-2years	10	10
2-3years	20	20
3-5years	50	50
More than 5 years	100	100

Inventories

(1)Inventory category: inventories include raw materials, inventory of goods, work in progress, finished goods and so on. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

(2) The valuation method of acquisition and use: inventories are recorded by using the standard costing method when acquiring inventories. The cost of products includes standard costing and

the differences between the standard costing and actual cost.



- (3) The inventory system: the company is using the perpetual inventory system.
- (4) Provisions for deduction of the inventories value and methods: the inventory is valued at the lower of its cost or its net realizable value. The inventory cost is higher than its net realizable value and provision for decline in value of inventory is credited to current profit and loss.
- (5) Work-in-progress and finished goods are valued at lower of cost and net realizable value. cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.
- (6) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Fixed Assets and Depreciation

(1) Criteria of fixed assets

Fixed assets are the tangible assets in higher unit value. They are defined as the production of goods, the provision of services and the lease or management used for more than one year.

(2) Measurement of fixed assets

Fixed assets are recorded at cost on acquisition. The acquisition cost includes purchase price, import taxes, transportation costs, insurance costs and other related costs that are necessary for the fixed assets being ready for their intended use.

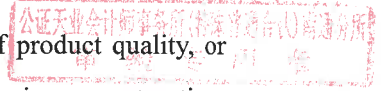
(3) Depreciation of fixed assets

Depreciation is provided to write off the cost of each category of fixed assets over their estimated useful lives from the month after they are put into use, using the straight-line method. The estimated residual value, useful life and annual depreciation rate of each category of fixed assets are as follows:

<u>Category of fixed assets</u>	<u>Residual value</u>	<u>Useful life</u>	<u>Annual depreciation rate</u>
Electronic Equipment	10%	5 years	18%
Houses and buildings	10%	20years	4.5%
Machinery	10%	10-15years	9%-6%
Office furniture	10%	5 years	18%
tool of production	10%	5 years	18%

(4) Measurement of subsequent expenditures on fixed assets

Subsequent expenditures on fixed assets for major reconstruction, expansion, improvement and renovation are capitalized as a part of fixed assets cost when it is probable that future economic benefits in excess of the original assessment of performance will flow to the Company, such as



extension of the useful lives of the fixed assets, substantial improvement of product quality, or substantial reduction in product cost. Capitalized expenditures arising from major reconstruction, expansion and improvement are depreciated using the straight-line method over the remaining useful lives of the fixed assets. The increased cost of the fixed assets is limited to their recoverable amount.

Subsequent expenditures on fixed assets except for the aforementioned are expensed as incurred. Capitalized expenditures arising from the renovation of fixed assets are depreciated on a reasonable basis over the shorter period of interval between the current renovation to the next and the expected remaining useful life of the renovated fixed assets.

(5) Measurement of fixed assets at the balance sheet date and impairment provision

Fixed assets are measured at the lower of carrying amount and recoverable amount at the balance sheet date. When the recoverable amount of fixed assets is lower than the carrying amount, due to factors such as continuous decline in market price, technological obsolescence, damages or long-time idleness, impairment provision for fixed assets is determined on an item-by-item basis at the excessive part of the carrying amount over the recoverable amount. For fixed assets that meet the conditions for full impairment provision, the impairment provision is determined at the full carrying amount of fixed assets on an item-by-item basis.

Construction in progress

(1) Construction in progress is measured at actual cost. The actual cost is determined specifically as follows:

A. Contracted projects under construction are recorded at the sum of construction price, installation cost, and capitalized interest expense, amortization of premium or discount, and foreign currency exchange differences that are relating to specific borrowings for financing the construction.

B. Self-built projects under construction are recorded at the sum of construction materials used, raw materials used and related non-deductible input value-added taxes, goods in stock used and related taxes and levies, cost of various services provided by the Company's auxiliary production departments, and capitalized interest expense, amortization of premium or discount, and foreign currency exchange differences that are relating to specific borrowings for financing the construction.

(2) Construction in progress is measured at the lower of the carrying amount and the recoverable

amount. Impairment provision is made for construction in progress if there exists evidence that the value of construction in progress has declined.

Borrowing costs

(1) Recognition of borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized. The other costs are charged to the Profit & Loss Account. Borrowing costs include interests, ancillary costs, and foreign currency exchange differences incurred in connection with borrowing. Except borrowing costs relating to specific borrowings obtained for the acquisition or construction of fixed assets are capitalized as costs of the fixed assets as certain conditions are met, other borrowing costs are expensed as incurred.

(2) Capitalization period of borrowing costs

A. The capitalization of borrowing costs commences as the following three conditions are met: (a) the capital expenditures are incurred; (b) the borrowing costs are incurred; (c) the acquisition or construction activities have commenced to enable the assets to be ready for their intended use.

B. The capitalization of borrowing costs should be suspended during the periods when the acquisition or construction activities are abnormally interrupted and the interruption period is more than three consecutive months; the borrowing costs are incurred during the period until the acquisition or construction activities are resumed.

C. The capitalization of borrowing costs ceases when the assets being acquired or constructed are ready for their intended use. Borrowing costs incurred thereafter should be recognized as expense in the period in which they are incurred.

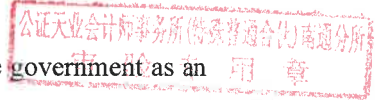
(3) Capitalization amount of borrowing costs

The capitalized borrowing costs for each accounting period are determined by using the weighted average amount of accumulated expenditures incurred in that period for the acquisition or construction of fixed assets and the capitalization rate of the borrowings. The procedures are in accordance with the Accounting Standards for Business Enterprises—Borrowing Costs.

Government grants

(1) Types of government grants

Government grants are transfers of monetary assets or non-monetary assets from the government



to the company at no consideration except for the capital contribution from the government as an investor in the company. Government grants are divided into asset related government grants and income related Government grants according to the nature of the subsidy objects specified in the relevant government documents.

If the government document does not clearly specify the subsidy object, the company classifies the government subsidy as asset related or income related based on whether it is used for acquisition and construction or forms long-term assets in other ways.

(2) Recognition of Government grants

A government grant is recognized when there is reasonable assurance that the grant will be received and that the company will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount that is received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at its fair value.

(3) Accounting treatment of Government grants

A government grant related to an asset is recognized initially as deferred income and amortized to profit or loss in the same period according to a reasonable, systematic approach by instalments over the useful life of the asset. A government grant related to income that compensates the Company for expenses or losses to be incurred in the subsequent periods is recognized initially as deferred income and recognized in profit or loss in the same period in which the cost expenses or losses are recognized. A government grant that compensates the Company for cost expenses or losses incurred is recognized in profit or loss immediately.

A government related to the company's daily activities is recognized in other income according to the essence of economic business. A government irrelevant to the company's daily activities is recognized in non operating income and expenditure.

Enterprise and local income taxes

The Company uses the taxes payable method to account for the enterprise and local income taxes.

On October 24, 2018, the company obtained the certificate of high tech enterprise, enjoying the preferential policy of enterprise income tax rate of 15%, which is valid for three years.

IV. THE ACCOMPANYING NOTES ARE PART OF THE FINANCIAL STATEMENTS

1) MONETARY FUNDS

ITEMS	31/03/2021	01/04/2020
	RMB	RMB
Cash at Hand	108.00	-
Cash on Bank	5,095,895.18	11,001,138.04
Others	1,595,328.03	3,441,039.02
Total	6,691,331.21	14,442,177.06

2) NOTES RECEIVABLE

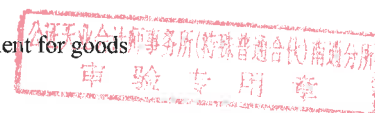
ITEMS	31/03/2021			01/04/2020		
	<u>Amount</u>	<u>Proportion</u>	<u>Bad Debt Provision</u>	<u>Amount</u>	<u>Proportion</u>	<u>Bad Debt Provision</u>
	RMB	%	RMB	RMB	%	RMB
Relevant party notes receivable	-	-	-	-	-	-
Notes of non related parties	-	-	-	594,390.00	100.00	-
Total	-	-	-	594,390.00	100.00	-

3) ACCOUNTS RECEIVABLE

ITEMS	31/03/2021			01/04/2020		
	<u>Amount</u>	<u>Proportion</u>	<u>Bad Debt Provision</u>	<u>Amount</u>	<u>Proportion</u>	<u>Bad Debt Provision</u>
	RMB	%	RMB	RMB	%	RMB
Within 1 year	20,220,420.56	100.00	-	19,931,983.71	100.00	-
Total	20,220,420.56	100.00	-	19,931,983.71	100.00	-

Major items of accounts receivable:

Customer names	Ending balance	Character
ACOME	6,713,785.70	Payment for goods
STERLITE Technologies LIMITE	5,711,704.68	Payment for goods
Metallurgica Bresciana S.p.A	4,209,571.81	Payment for goods



4) ACCOUNTS PREPAYMENTS

ITEMS	31/03/2021			01/04/2020		
	<u>Amount</u>	<u>Proportion</u>	<u>Bad Debt Provision</u>	<u>Amount</u>	<u>Proportion</u>	<u>Bad Debt Provision</u>
	RMB	%	RMB	RMB	%	RMB
Within 1 year	9,438,270.37	91.51	-	32,625,701.68	97.59	-
1-2years	876,058.42	8.49	-	805,640.53	2.41	-
Total	10,314,328.79	100.00	-	33,431,342.21	100.00	-

Within the aforesaid balance, there is no amount due from shareholders that hold 5% or more of the Company's voting shares.

5) OTHER RECEIVABLES

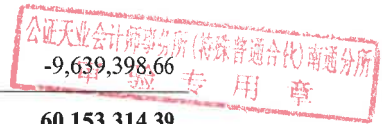
ITEMS	31/03/2021			01/04/2020		
	<u>Amount</u>	<u>Proportion</u>	<u>Bad Debt Provision</u>	<u>Amount</u>	<u>Proportion</u>	<u>Bad Debt Provision</u>
	RMB	%	RMB	RMB	%	RMB
Within 1 year	-	-	-	97,930.00	100.00	-
1-2years	17,530.00	100.00	-	-	-	-
Total	17,530.00	100.00	-	97,930.00	100.00	-

Within the aforesaid balance, there is no amount due from shareholders that hold 5% or more of the Company's voting shares.

6) INVENTORIES

ITEMS	31/03/2021	01/04/2020
	RMB	RMB
Raw materials	23,799,909.35	27,169,553.46
Material in transi waste	-	5,050,371.42
	271,526.15	307,831.35
Goods in Process	1,098,596.22	5,748,284.11
Finished Goods	2,548,180.88	11,295,047.56
Packing	26,415.41	33,671.88
Stores and Spares	-	18,346,942.07
Goods in transit	-	1,841,011.20

Provision for Inventory	-1,696,109.16
Total	26,048,518.85



60,153,314.39

7) OTHER CIRCULATING ASSETS

ITEMS	31/03/2021	01/04/2020
	RMB	RMB
VAT is retained as input tax	8,036,018.76	13,196,746.71
Prepaid expenses	81,149.23	186,441.13
Advance payment of income tax	-	621,931.94
Total	8,117,167.99	14,005,119.78

8) FIXED ASSETS

ITEMS	Houses and buildings	Machinery	Electronic Equipment	Office furniture	tool of production	Total
	RMB	RMB	RMB	RMB	RMB	RMB
Cost						
1st April 2020	<u>75,124,593.46</u>	<u>375,049,022.15</u>	<u>1,811,800.56</u>	<u>719,301.02</u>	<u>2,559,626.94</u>	<u>455,264,344.13</u>
Additions	146,913.37	3,504,440.92	96,008.85	6,000.00	-	3,753,363.14
Disposals	-	-	-	-	-	-
31st March 2021	<u>75,271,506.83</u>	<u>378,553,463.07</u>	<u>1,907,809.41</u>	<u>725,301.02</u>	<u>2,559,626.94</u>	<u>459,017,707.27</u>
Accumulated Depreciation						
1st April 2020	<u>12,259,404.76</u>	<u>66,597,759.98</u>	<u>968,356.84</u>	<u>365,253.61</u>	<u>1,108,165.81</u>	<u>81,298,941.00</u>
Add	2,828,834.67	21,457,791.81	190,734.06	73,409.50	334,070.45	24,884,840.49
Less	-	-	-	-	-	-
31st March 2021	<u>15,088,239.43</u>	<u>88,055,551.79</u>	<u>1,159,090.90</u>	<u>438,663.11</u>	<u>1,442,236.26</u>	<u>106,183,781.49</u>
Net book value						
1st April 2020	<u>62,865,188.70</u>	<u>308,451,262.17</u>	<u>843,443.72</u>	<u>354,047.41</u>	<u>1,451,461.13</u>	<u>373,965,403.13</u>
31st March 2021	<u>60,183,267.40</u>	<u>290,497,911.28</u>	<u>748,718.51</u>	<u>286,637.91</u>	<u>1,117,390.68</u>	<u>352,833,925.78</u>

9) CONSTRUCTION IN PROGRESS

Items	01/04/2020	Additions	Amortization	31/03/2021
	RMB	RMB	RMB	RMB
A2 project	3,608,345.69	20,754.72	3,629,100.41	-
Machinery equipment	139,245.28	-	139,245.28	-
Others	-	163,885.29	163,885.29	-

Items	01/04/2020	Additions	Amortization	
	RMB	RMB	RMB	RMB
Total	3,747,590.97	184,640.01	3,932,230.98	-

10) INTANGIBLE ASSETS

Items	01/04/2020	Additions	Amortization	31/03/2021
	RMB	RMB	RMB	RMB
Land-use right	8,917,360.23	-	166,535.73	8,750,824.50
Software	876,771.06	139,245.28	350,211.94	665,804.40
Total	9,794,131.29	139,245.28	516,747.67	9,416,628.90

11) LONG-TERM PREPAID EXPENSE

ITEMS	31/03/2021	01/04/2020
	RMB	RMB
Long-term prepaid expense	41,580.00	-
Total	41,580.00	-

12) ASSETS IN DEFERRED-INCOME-TAX

(1) deferred tax assets have been recognized	31/03/2021	01/04/2020
	RMB	RMB
Recoverable loss	4,368,733.69	4,368,733.69
Total	4,368,733.69	4,368,733.69

(2) deductible temporary difference	31/03/2021	01/04/2020
	RMB	RMB
Recoverable loss	29,124,891.28	29,124,891.28
Total	29,124,891.28	29,124,891.28

13) SHORT-TERM BORROWINGS

ITEMS	31/03/2021	01/04/2020
	RMB	RMB
CTBC Bank	31,173,550.56	-
Inward Bills	-	39,459,995.05
China Merchants Bank	-	12,900,000.00
SPDB	-	8,310,000.00

ITEMS	31/03/2021	01/04/2020
	RMB	RMB
Total	31,173,550.56	60,669,995.05



14) NOTES PAYABLE

ITEMS	31/03/2021	01/04/2020
	RMB	RMB
Bank Acceptance Bill	1,595,187.14	7,787,079.43
Total	1,595,187.14	7,787,079.43

15) ACCOUNTS PAYABLE

ITEMS	31/03/2021		01/04/2020	
	<u>Amount</u>	<u>Proportion</u>	<u>Amount</u>	<u>Proportion</u>
	RMB	%	RMB	%
Within 1 year	69,130,669.07	81.28	58,061,140.96	85.26
1-2 year	13,667,579.37	16.07	9,990,408.22	14.67
2-3 year	2,257,697.96	2.65	49,900.00	0.07
Total	85,055,946.40	100.00	68,101,449.18	100.00

Major items of accounts payable:

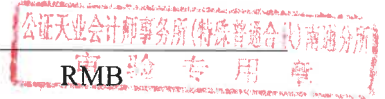
Customer names	Ending balance
STERLITE TECHNOLOGIES LIM	58,283,914.75.
THE IT ELECTRONIC ELEVENT	9,984,296.87
STI CO LTD	5,667,151.14

16) RECEIVED IN ADVANCE

ITEMS	31/03/2021		01/04/2020	
	<u>Amount</u>	<u>Proportion</u>	<u>Amount</u>	<u>Proportion</u>
	RMB	%	RMB	%
Within 1 year	2,825.80	100.00	529,127.60	100.00
Total	2,825.80	100.00	529,127.60	100.00

17) ACCRUED STAFF'S PAYROLL

ITEMS	31/03/2021	01/04/2020
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	RMB	RMB
Wages	352,512.00	829,731.00
Total	352,512.00	829,731.00

18) TAXES AND EXPENSES PAYABLE

ITEMS	31/03/2021	01/04/2020
	RMB	RMB
Individual income tax	11,081.86	-9,790.78
Land use tax	49,347.50	49,347.50
Property tax	151,998.85	150,921.66
Stamp tax	-	3,664.60
Total	212,428.21	194,142.98

19) INTEREST PAYABLE

ITEMS	31/03/2021	01/04/2020
	RMB	RMB
Loan interest	61,817.91	185,294.62
Total	61,817.91	185,294.62

20) DIVIDENDS PAYABLE

ITEMS	31/03/2021	01/04/2020
	RMB	RMB
Tongguang Communication	850,000.00	850,000.00
Total	850,000.00	850,000.00

21) AMOUNT OTHER ACCRUED PAYABLE

ITEMS	31/03/2021		01/04/2020	
	<u>Amount</u>	<u>Proportion</u>	<u>Amount</u>	<u>Proportion</u>
	RMB	%	RMB	%
Within 1 year	129,653.50	100.00	47,874.00	100.00
Total	129,653.50	100.00	47,874.00	100.00

Within the aforesaid balance, there is no amount due from shareholders that hold 5% or more of the Company's voting shares.

22) LONG-TERM LOANS

ITEMS	31/03/2021	01/04/2020
	RMB	RMB
China Merchants Bank	-	8,380,000.00
ICICI Bank Ltd., Shanghai Branch	26,885,816.82	52,173,259.38
Total	26,885,816.82	60,553,259.38

公证天业会计师事务所(特殊普通合伙)南通分所
01/04/2020 专用章

23) LONG-TERM PAYABLES

ITEMS	31/03/2021	01/04/2020
	RMB	RMB
Advance income tax	2,550,000.00	2,550,000.00
Total	2,550,000.00	2,550,000.00

24) DEFERRED INCOME

ITEMS	31/03/2021	01/04/2020
	RMB	RMB
Government grants	6,759,522.48	4,227,715.00
Total	6,759,522.48	4,227,715.00

25) PAID-IN CAPITAL

Name of owners	01/04/2020		<u>Add</u> RMB	<u>Less</u> RMB	31/03/2021	
	In recording currency RMB	%			In recording currency RMB	%
Jiangsu Tongguang Communication Co. Ltd.	42,110,410.05	25.00	-	-	42,110,410.05	25.00
Sterlite Global Ventures (Mauritius) Ltd.	126,325,605.14	75.00	-	-	126,325,605.14	75.00
Total	168,436,015.19	100.00	=	=	168,436,015.19	100.00

26) SURPLUS RESERVES

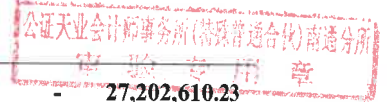
Items	01/04/2020	<u>Add</u>	<u>Less</u>	31/03/2021
	RMB	RMB	RMB	RMB
Legal surplus	27,202,610.23	-	-	27,202,610.23

Total

27,202,610.23

-

27,202,610.23

**27) UNDISTRIBUTED PROFIT**

<u>Items</u>	<u>01/04/2020</u>	<u>Add</u>	<u>Less</u>	<u>31/03/2021</u>
	RMB	RMB	RMB	RMB
Undistributed profit	132,367,822.57	-	45,565,543.04	86,802,279.53
Total	132,367,822.57	-	45,565,543.04	86,802,279.53

28) OPERATING INCOME

<u>Items</u>	<u>April 2020 to March 2021</u>	<u>April 2019 to March 2020</u>
	RMB	RMB
Optical sales	188,482,437.82	272,135,388.02
Other business income	3,612,074.61	667,410.64
Total	192,094,512.43	272,802,798.66

29) OPERATION COST

<u>Items</u>	<u>April 2020 to March 2021</u>	<u>April 2019 to March 2020</u>
	RMB	RMB
Optical cost	228,051,313.70	273,440,168.18
Total	228,051,313.70	273,440,168.18

30) MAIN OPERATION TAX & ADDITIONAL EXPENSES

<u>Items</u>	<u>April 2020 to March 2021</u>	<u>April 2019 to March 2020</u>
	RMB	RMB
Property tax	607,277.27	603,686.65
Land use tax	197,390.00	197,390.00
stamp duty	41,455.60	52,733.90
Total	846,122.87	853,810.55

31) SELLING EXPENSES

<u>Items</u>	<u>April 2020 to March 2021</u>	<u>April 2019 to March 2020</u>
	RMB	RMB
Transportation costs	361,551.43	620,962.25

<u>Items</u>	April 2020 to March 2021	April 2019 to March 2020
	RMB	RMB
Export charges	579,481.81	300,298.71
Samples	44,472.51	80,345.41
Sales commission	2,835,110.68	3,199,282.14
Export freight	46,698.53	38,500.00
Other	24,604.97	64,436.19
Total	3,891,919.93	4,303,824.70

32) GENERAL & ADMINISTRATIVE EXPENSES

<u>Items</u>	April 2020 to March 2021	April 2019 to March 2020
	RMB	RMB
Total	14,022,233.25	15,620,184.46
Main: Wage	3,969,140.51	3,968,093.04
Welfare	1,110,729.20	1,204,507.85
Social security costs	544,757.70	1,309,152.63
Local Transportation	285,188.00	572,700.00

33) R & D EXPENSE ACCOUNT

<u>Items</u>	April 2020 to March 2021	April 2019 to March 2020
	RMB	RMB
Total	7,728,419.42	12,182,274.73
Main: Wages and surcharges	1,547,281.60	3,081,924.35
depreciation charge	1,371,778.79	1,789,276.72
electric charge	1,158,094.68	1,098,227.54

34) FINANCIAL EXPENSE

<u>Items</u>	April 2020 to March 2021	April 2019 to March 2020
	RMB	RMB
Interest income	-31,212.65	-173,702.34
Exchange gain or loss	-7,941,961.96	2,018,992.88
Service charge	104,984.78	350,662.06
Interest expenditure	2,565,977.64	4,888,159.10
Discount interest	104,956.62	360,596.52

<u>Items</u>	April 2020 to March 2021	April 2019 to March 2020
	RMB	RMB
Total	-5,197,255.57	7,444,708.22

35) LOSSES FROM DEPRECIATION OF ASSETS

<u>Items</u>	April 2020 to March 2021	April 2019 to March 2020
	RMB	RMB
Loss of inventory valuation	-7,943,289.50	1,567,086.24
Total	-7,943,289.50	1,567,086.24

36) OTHER INCOME

<u>Items</u>	April 2020 to March 2021	April 2019 to March 2020
	RMB	RMB
Subsidy income	2,656,535.58	5,273,197.02
Total	2,656,535.58	5,273,197.02

37) INVESTMENT INCOME

<u>Items</u>	April 2020 to March 2021	April 2019 to March 2020
	RMB	RMB
Financial income	329.80	66,129.64
Total	329.80	66,129.64

38) GAIN FORM FAIR VALUE CHARGE

<u>Items</u>	April 2020 to March 2021	April 2019 to March 2020
	RMB	RMB
Importers and sale of foreign exchange forward	-	492,224.84
Total	-	492,224.84

39) NON-OPERATING INCOME

<u>Items</u>	April 2020 to March 2021	April 2019 to March 2020
--------------	--------------------------	--------------------------

	RMB	RMB
Subsidy income	-	150,000.00
Compensation income	47,356.38	655,507.06
Other income	1,388,068.27	44,783.45
Total	1,435,424.65	850,290.51



40) NON-OPERATING EXPENDITURE

<u>Items</u>	April 2020 to March 2021	April 2019 to March 2020
	RMB	RMB
Damages for breach of contract and quality compensation	148,756.20	2,730,618.22
Disabled employment security fund	50,220.00	107,999.99
Administrative penalty	50,000.00	125,950.06
Other expenditure	103,905.20	35,165.81
Total	352,881.40	2,999,734.08

41) INCOME TAX

<u>Items</u>	April 2020 to March 2021	April 2019 to March 2020
	RMB	RMB
Current income tax	-	-1,538,585.21
Deferred income tax	-	-4,368,733.69
Total	-	-5,907,318.90

V. RELATED PARTIES

1. Related party relationship where control exists

Name	Registered address	Relationship with the Company
Sterlite Global Ventures (Mauritius) Ltd.	Mauritius	Investor
Sterlite Technologies Limited(STL)	India	Ultimate holder
Jiangsu Tongguang Communication Co.,Ltd.	China	Investor
Sterlite(Shanghai)Trade Co.,Ltd.	China	Under the same control
Metallurgica Bresciana S.p.A	Italy	Under the same control
Sterlite Condu spar Industrial Limited	Brazil	Under the same control

2. Equity of the related parties with effective control attributable to the Company and changes goes to Note IV.23)

3. Relative party transaction

3.1 Relative party procurement:

Enterprise name	Transaction type	April 2020 to March 2021	April 2019 to March 2020
Sterlite Technologies Limited(STL)	Purchase goods	55,816,419.63	92,032,462.42
Sterlite (Shanghai) Trading Co.,Ltd	Accept service	2,751,411.68	3,356,484.98



3.2 Relative party sales:

Enterprise name	Transaction type	April 2020 to March 2021	April 2019 to March 2020
Jiangsu Tongguang Communication Co. Ltd	Sale of goods	9,164,734.95	31,425,092.93
Sterlite (Shanghai) Trading Co.,Ltd	Sale of goods	61,847.79	380,610.64
Sterlite Technologies Limited(STL)	Sale of goods	69,794,933.16	110,717,194.51
Metallurgica Bresciana S.p.A	Sale of goods	27,417,622.27	7,944,404.73
Sterlite Condu spar Industrial Limited	Sale of goods	10,944,680.46	16,848,681.80

VI. CONTINGENCIES

1. Litigation pending over supply agreement dispute

The Company filed a lawsuit with the court on the sales contract dispute with Jiangsu Tongguang Information Co., Ltd. claiming compensation for breach of contract on August 6, 2020. In the course of the lawsuit, Jiangsu Tongguang Information Co., Ltd. filed a counterclaim against the Company on October 14, 2020, requiring the Company to pay a penalty of RMB 1,862,591.00, a late payment interest of RMB 245,380.93 and a lawyer's fee of RMB 70,000.00. As at the date of this note, the Court has not rendered any judgement in this case.

As a result of the above litigation, the Court has frozen the bank deposits of the Company in the amount of US \$320,000.00 for a period of time beginning on November 19, 2020 and ending on November 19, 2021.

2. Labor disputes pending litigation

(1) Jia Yonghao applied directly to a labour dispute arbitration committee for arbitration on August 31, 2020, claiming that Sterlite (Shanghai) Trading Co.,Ltd had illegally discharged the labor contract, and not timely paid the labor remuneration. Besides, the Company shall be jointly and severally liable for cross-employment relationship. He required Sterlite (Shanghai) Trading Co.,Ltd and our company pay compensation amounting to RMB 1,689,013.08. The labour dispute



arbitration committee decided not to accept the decision on the same day. Jia Yonghao subsequently instituted proceedings in a court for mentioned proposals. As at the date of this note, the court has not yet organized the first instance hearing of this case.

(2) Wang Fangzheng applied directly to a labour dispute arbitration committee for arbitration on August 6, 2020, claiming Sterlite (Shanghai) Trading Co.,Ltd had illegal discharged the labor contract, and not timely paid the labor remuneration. Besides, the Company shall be jointly and severally liable for cross-employment relationship. He required Sterlite (Shanghai) Trading Co.,Ltd and our company pay compensation amounting to RMB 2,461,976.00. The labour dispute arbitration committee decided not to accept the decision on the same day. Wang Fangzheng subsequently instituted proceedings in a court for mentioned proposals. As at the date of this note, the court has not yet organized the first instance hearing of this case.

VII. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

As at the approval date of the issue of the financial statements, the Company has no significant events occurring after the balance sheet date that need to be disclosed.

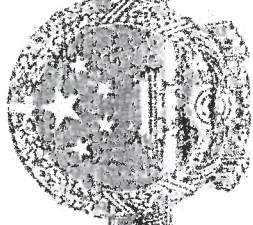
VIII. OTHER IMPORTANT MATTERS

1. The business license of Jiangsu Sterlite Tongguang Fiber Co., Ltd has expired on January 17, 2021. Until April 12, 2021, the company is temporarily closed. At present, both shareholders of the company are negotiating restructuring, and it is expected that the business period will be extended and normal production and operation activities will be resumed after reaching an agreement by both parties in Coming one or two months.

2. According to Jiangsu Province Nantong Intermediate People's Court (2020) Su06, No. 803, Notice for Assistance in Execution, the Company is assisted in execution, suspending the payment to Sterlite Technologies Limited (STL) of no more than RMB 50,000,000.00, with the period of three years, from December 11, 2020 to December 10, 2023 solstice.

Jiangsu Sterlite Tongguang Fiber Co., Ltd
12 April , 2021

* * * THE END * * *



营业执照

(副本)

编号 320602666201907050141



扫描二维码登录“国家企业信用信息公示系统”了解更多登记、备案、许可、监管信息。

统一社会信用代码

913206020850023627 (1/1)

名称 公证天业会计师事务所(特殊普通合伙)南通分所

类型 特殊普通合伙企业分支机构

负责人 郁东

经营范围

审查企业会计报表，出具审计报告；验证企业资本，出具验资报告；办理企业合并、分立、清算事宜中的审计业务，出具有关的报告；基本建设、法律、行政法规规定的其他经营活动；管理、咨询、法律、法规规定方可开展的其他经营活动。

成立日期 2013年11月13日

营业期限 2013年11月13日至*****

营业场所 南通市崇川区星城路299号南通创新科技园2号楼701、706室



登记机关

2019年07月05日

授 权 书

兹授权本所下列人员签发验资、审计报告，授权期限自 2021 年 1 月 1 日至 2021 年 12 月 31 日。

被授权人员如下：

郁 东

胡 杰



公证天业会计师事务所(特殊普通合伙)

首席合伙人

主任会计师

张新斌

二〇二一年一月一日



姓名 郁东
Full name
性别 男
Sex
出生日期 1971-04-19
Date of birth
工作单位 南通正华联合会计师事务所
Working unit
身份证号码 320105710419143
Identity card No.

注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

同意转出
Agree to be transferred from



南通正华 会计师事务所
CPA

转出注册会计师
Name of the transferor as Institute of CPAs

2013年08月12日

同意转入
Agree to be transferred to

南通正华 会计师事务所
CPA

转入注册会计师
Name of the transferee as Institute of CPAs

2013年08月12日

证书编号: 320600060006
No. of Certificate

批准注册协会: 江苏省注册会计师协会
Authorized Institute of CPAs

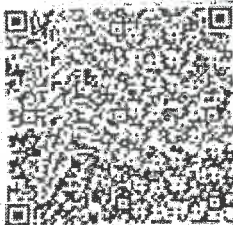
发证日期: 1997年7月7日
Date of Issuance

江苏省注册会计师协会
2007年4月30日

年度检验登记
Annual Renewal Registration

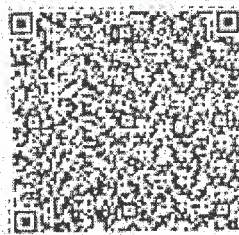
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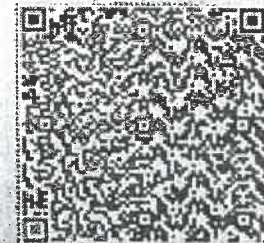


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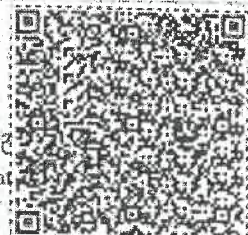
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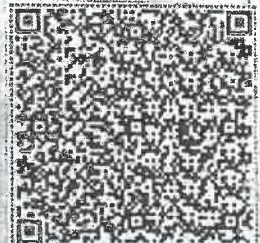
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江苏省注册会计师协会



郁东(320600060006)
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江苏省注册会计师协会



郁东(320600060006)
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江苏省注册会计师协会



郁东(320600060006)
您已通过2017年年检
江苏省注册会计师协会



姓名 Full name 张玉林
 性别 Sex 男
 出生日期 Date of birth 1972-11-25
 工作单位 Working unit 南通正华联合会计师事务所
 身份证号码 Identity card No. 320625197211250293



年度检验登记
Annual Renewal Registration

本证书经检验合格，继续有效一年。
This certificate is valid for another year after this renewal.



张玉林(320600310002)
您已通过2015年年检
江苏省注册会计师协会



张玉林(320600310002)
您已通过2016年年检
江苏省注册会计师协会

2014年5月6日

证书编号: 320600310002
No. of Certificate

批准注册协会: 江苏省注册会计师协会
Authorized Institute of CPAs

发证日期: 2014年4月22日
Date of Issuance

注册会计师工作单位变更事项登记
Registration of the Change of Working Unit by a CPA

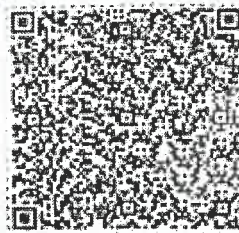
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Agree the holder to be transferred from

南通正华 事务所 CPAs

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Stamp of the transfer-out Institute of CPAs
2013年01月22日

同意调入
Agree the holder to be transferred to

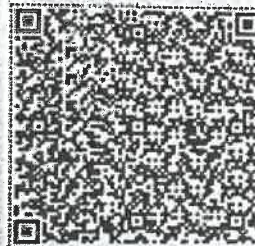
江苏公证业 事务所 CPAs
南通分所
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Stamp of the transfer-in Institute of CPAs
2013年01月22日



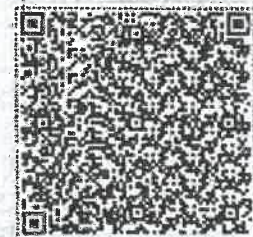
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Registration

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张玉林(320600310002)
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江苏省注册会计师协会

Metallurgica Bresciana SPA

Financial Statements for FY 2020-21

METALLURGICA BRESCIANA SPA a socio unico

Financial statements to 31-12-2020

Name and id code	
Company site	VIA G. MARCONI 31 DELLO BS
Fiscal code	02132320173
Registration number	BS 02132320173
VAT number	02132320173
Share capital Euro	7.000.000 f.p.
Legal form	SOCIETA' PER AZIONI
Activity Code (ATECO)	273200
Company being wound up	no
Company with a single shareholder	yes
Company subject to the management and coordination of others	yes
Name of the company or entity that exercises management and coordination	STERLITE TECHNOLOGIES LTD
Belonging to a group	yes
Name of the controlling entity	STERLITE TECHNOLOGIES LTD
Country of the controlling entity	INDIA

Balance sheet (mandatory scheme)

	31-12-2020	31-12-2019
Balance sheet (mandatory scheme)		
Assets		
A) receivables due from shareholders		
Called	1.950.000	-
Total receivables due from shareholders (A)	1.950.000	-
B) Fixed assets		
I - Intangible fixed assets		
3) industrial patents and intellectual property rights	36.844	34.440
4) concessions, licenses, trademarks and similar rights	366	549
5) goodwill	4.282.276	-
7) other	559.973	419.696
Total intangible fixed assets	4.879.459	454.685
II - Tangible fixed assets		
1) land and buildings	12.469.838	6.336.592
2) plant and machinery	8.402.394	9.762.250
3) industrial and commercial equipment	99.552	170.146
4) other assets	79.586	66.866
5) assets under construction and payments on account	18.093	10.000
Total tangible fixed assets	21.069.463	16.345.854
III - Financial fixed assets		
1) equity investments		
b) associated companies	1.603.013	1.603.013
d-b) other companies	3.710	3.710
Total equity investments	1.606.723	1.606.723
2) receivables due from		
d-b) due from others		
due within the following year	20.731	18.311
Total receivables due from third parties	20.731	18.311
Total receivables	20.731	18.311
Total financial fixed assets	1.627.454	1.625.034
Total fixed assets (B)	27.576.376	18.425.573
C) Current assets		
I - Inventories		
1) raw, ancillary and consumable materials	5.805.632	5.875.564
2) work in progress and semi-finished products	2.387.180	3.559.555
4) finished products and goods for resale	6.348.263	4.317.316
5) advances	335.823	-
Total inventories	14.876.898	13.752.435
II - Receivables		
1) trade accounts		
due within the following year	14.361.116	14.744.534
Total trade accounts	14.361.116	14.744.534
3) due from associated companies		
due within the following year	7.236.969	7.288.176
Total receivables due from associated companies	7.236.969	7.288.176
4) due from parent companies		
due within the following year	399.851	1.084.577

Total receivables due from parent companies	399.851	1.084.577
5-b) tax receivables		
due within the following year	1.439.774	1.007.590
Total receivables due from tax authorities	1.439.774	1.007.590
5-c) prepaid tax	356.855	332.665
5-d) other receivables		
due within the following year	199.938	62.563
Total receivables due from third parties	199.938	62.563
Total receivables	23.994.503	24.520.105
IV - Liquid funds		
1) bank and post office deposits	2.547.735	2.127.285
3) cash and equivalents on hand	1.018	1.738
Total liquid funds	2.548.753	2.129.023
Total current assets (C)	41.420.154	40.401.563
D) Accrued income and prepayments	303.312	306.631
Total assets	71.249.842	59.133.767
Liabilities and shareholders' equity		
A) Shareholders' equity		
I - Share capital	7.000.000	7.000.000
III - Revaluation reserves	-	6.083.284
IV - Legal reserve	-	2.045.966
VI - Other reserves, indicated separately		
Extraordinary reserve	(1.808.728)	17.991.202
Total other reserves	(1.808.728)	17.991.202
IX - Net profit (loss) for the year	3.076.174	3.655.735
Total shareholders' equity	8.267.446	36.776.187
B) Reserves for contingencies and other charges		
1) pension and similar commitments	218.282	218.282
2) taxation	816.464	-
3) passive derivative financial instruments	46.374	46.374
4) other	30.000	30.000
Total reserves for contingencies and other charges	1.111.120	294.656
Total reserve for severance indemnities (TFR)	588.608	723.561
D) Payables		
4) due to banks		
due within the following year	11.515.689	10.644.147
due beyond the following year	37.470.000	2.100.001
Total payables due to banks	48.985.689	12.744.148
6) advances		
due within the following year	16.856	71.432
Total advances	16.856	71.432
7) trade accounts		
due within the following year	7.146.790	5.238.260
Total trade accounts	7.146.790	5.238.260
10) due to associated companies		
due within the following year	1.053	-
Total payables due to associated companies	1.053	-
11) due to parent companies		
due within the following year	3.256.536	1.577.249
Total payables due to parent companies	3.256.536	1.577.249
12) due to tax authorities		

due within the following year	281.869	204.314
Total payables due to tax authorities	281.869	204.314
13) due to social security and welfare institutions		
due within the following year	313.645	424.434
Total payables due to social security and welfare institutions	313.645	424.434
14) other payables		
due within the following year	864.685	887.140
Total other payables	864.685	887.140
Total payables (D)	60.867.123	21.146.977
E) Accrued liabilities and deferred income	415.545	192.386
Total liabilities and shareholders' equity	71.249.842	59.133.767

Income statement (value and cost of production)

	31-12-2020	31-12-2019
Income statement (value and cost of production)		
A) Value of production		
1) Revenues from sales and services	56.023.088	50.587.375
2) Change in work in progress, semi-finished and finished products	858.571	(6.358.546)
5) Other income and revenues		
operating grants	-	509
other	970.503	956.173
Total Other income and revenues	970.503	956.682
Total value of production	57.852.162	45.185.511
B) Costs of production		
6) Raw, ancillary and consumable materials and goods for resale	35.327.288	32.080.859
7) Services	6.751.510	4.320.058
8) Use of third party assets	335.467	418.709
9) personnel		
a) wages and salaries	5.041.052	4.987.197
b) related salaries	1.522.340	1.473.989
c) severance	394.892	354.765
e) other costs	698.730	833.146
Total payroll and related costs	7.657.014	7.649.097
10) depreciation, amortisation and write downs		
a) amortisation of intangible fixed assets	97.221	16.599
b) depreciation of tangible fixed assets	1.806.594	1.630.630
Total Amortisation, depreciation and write-downs	1.903.815	1.647.229
11) Changes in inventories of raw, ancillary and consumable materials and goods for resale	69.931	(6.359.564)
13) Other provisions	-	8.995
14) Other operating expenses	549.733	353.843
Total cost of production	52.594.758	40.119.226
Difference between value and cost of production (A - B)	5.257.404	5.066.285
C) Financial income and charges		
16) other financial income		
d) income other than the above		
other	114	147
Total income other than the above	114	147
Total other financial income	114	147
17) Interest and other financial expense		
other	1.259.166	205.745
Total interest and other financial expense	1.259.166	205.745
17-bis) Currency gains and losses	(29.451)	(2.271)
Total financial income and expense (15 + 16 - 17 + - 17-bis)	(1.288.503)	(207.869)
D) Value adjustments to financial assets and liabilities		
19) write-downs		
d) derivative financial instruments	-	28.686
Total write-downs	-	28.686
Total value adjustments to financial assets and liabilities (18 - 19)	-	(28.686)
Pre-tax result (A - B + - C + - D)	3.968.901	4.829.730
20) Income tax for the year, current, deferred and prepaid		

Current taxes	895.495	1.068.475
deferred and prepaid tax	(2.768)	105.520
Total taxes on the income for the year	892.727	1.173.995
21) Profit (loss) for the year	3.076.174	3.655.735

Optotec SPA

**Financial for the period ended March
31, 2021**

OPTOTEC SPA A SOCIO UNICO

Bilancio di esercizio al 31-12-2020

Dati anagrafici	
Sede in	GARBAGNATE MILANESE
Codice Fiscale	10730100152
Numero Rea	MILANO 1398956
P.I.	10730100152
Capitale Sociale Euro	3.650.184 i.v.
Forma giuridica	SOCIETA' PER AZIONI
Settore di attività prevalente (ATECO)	263029
Società in liquidazione	no
Società con socio unico	si
Società sottoposta ad altrui attività di direzione e coordinamento	no
Appartenenza a un gruppo	no

Stato patrimoniale

	31-12-2020	31-12-2019
Stato patrimoniale		
Attivo		
A) Crediti verso soci per versamenti ancora dovuti		
Totale crediti verso soci per versamenti ancora dovuti (A)	0	0
B) Immobilizzazioni		
I - Immobilizzazioni immateriali		
3) diritti di brevetto industriale e diritti di utilizzazione delle opere dell'ingegno	6.400	14.566
Totale immobilizzazioni immateriali	6.400	14.566
II - Immobilizzazioni materiali		
1) terreni e fabbricati	0	4.538.274
2) impianti e macchinario	121.652	970.710
3) attrezzature industriali e commerciali	22.879	2.563
4) altri beni	104.736	107.506
Totale immobilizzazioni materiali	249.267	5.619.053
III - Immobilizzazioni finanziarie		
1) partecipazioni in		
a) imprese controllate	99.642	67.178
d-bis) altre imprese	770	769
Totale partecipazioni	100.412	67.947
2) crediti		
d-bis) verso altri		
esigibili entro l'esercizio successivo	0	-
esigibili oltre l'esercizio successivo	0	1.600.000
Totale crediti verso altri	0	1.600.000
Totale crediti	0	1.600.000
Totale immobilizzazioni finanziarie	100.412	1.667.947
Totale immobilizzazioni (B)	356.079	7.301.566
C) Attivo circolante		
I - Rimanenze		
1) materie prime, sussidiarie e di consumo	599.754	593.756
2) prodotti in corso di lavorazione e semilavorati	542.090	529.596
4) prodotti finiti e merci	4.974.309	5.946.711
Totale rimanenze	6.116.153	7.070.063
II - Crediti		
1) verso clienti		
esigibili entro l'esercizio successivo	3.985.798	8.904.311
esigibili oltre l'esercizio successivo	0	-
Totale crediti verso clienti	3.985.798	8.904.311
4) verso controllanti		
esigibili entro l'esercizio successivo	0	262.821
esigibili oltre l'esercizio successivo	0	-
Totale crediti verso controllanti	0	262.821
5) verso imprese sottoposte al controllo delle controllanti		
esigibili entro l'esercizio successivo	0	1.878
esigibili oltre l'esercizio successivo	0	-
Totale crediti verso imprese sottoposte al controllo delle controllanti	0	1.878
5-bis) crediti tributari		

esigibili entro l'esercizio successivo	1.901.486	1.031.406
esigibili oltre l'esercizio successivo	0	-
Totale crediti tributari	1.901.486	1.031.406
5-ter) imposte anticipate	60.000	51.699
5-quater) verso altri		
esigibili entro l'esercizio successivo	430.804	2.817
esigibili oltre l'esercizio successivo	2.326	5.314
Totale crediti verso altri	433.130	8.131
Totale crediti	6.380.414	10.260.246
III - Attività finanziarie che non costituiscono immobilizzazioni		
Totale attività finanziarie che non costituiscono immobilizzazioni	0	0
IV - Disponibilità liquide		
1) depositi bancari e postali	3.798.640	9.453.221
3) danaro e valori in cassa	1.304	176
Totale disponibilità liquide	3.799.944	9.453.397
Totale attivo circolante (C)	16.296.511	26.783.706
D) Ratei e risconti	32.336	25.315
Totale attivo	16.684.926	34.110.587
Passivo		
A) Patrimonio netto		
I - Capitale	3.650.184	3.650.184
II - Riserva da soprapprezzo delle azioni	0	0
III - Riserve di rivalutazione	3.525.593	5.342.292
IV - Riserva legale	730.037	722.400
V - Riserve statutarie	0	0
VI - Altre riserve, distintamente indicate		
Riserva straordinaria	6.780	17.283.295
Varie altre riserve	0	2
Totale altre riserve	6.780	17.283.297
VII - Riserva per operazioni di copertura dei flussi finanziari attesi	0	0
VIII - Utili (perdite) portati a nuovo	0	0
IX - Utile (perdita) dell'esercizio	2.408.462	2.132.907
Perdita ripianata nell'esercizio	0	0
X - Riserva negativa per azioni proprie in portafoglio	0	0
Totale patrimonio netto	10.321.056	29.131.080
B) Fondi per rischi e oneri		
Totale fondi per rischi ed oneri	0	0
C) Trattamento di fine rapporto di lavoro subordinato	393.709	388.804
D) Debiti		
4) debiti verso banche		
esigibili entro l'esercizio successivo	393.547	0
esigibili oltre l'esercizio successivo	0	-
Totale debiti verso banche	393.547	0
7) debiti verso fornitori		
esigibili entro l'esercizio successivo	4.813.231	3.827.372
esigibili oltre l'esercizio successivo	0	-
Totale debiti verso fornitori	4.813.231	3.827.372
11) debiti verso controllanti		
esigibili entro l'esercizio successivo	0	72.155
esigibili oltre l'esercizio successivo	0	-
Totale debiti verso controllanti	0	72.155

11-bis) debiti verso imprese sottoposte al controllo delle controllanti		
esigibili entro l'esercizio successivo	0	6.437
esigibili oltre l'esercizio successivo	0	-
Totale debiti verso imprese sottoposte al controllo delle controllanti	0	6.437
12) debiti tributari		
esigibili entro l'esercizio successivo	122.378	90.416
esigibili oltre l'esercizio successivo	0	-
Totale debiti tributari	122.378	90.416
13) debiti verso istituti di previdenza e di sicurezza sociale		
esigibili entro l'esercizio successivo	222.897	230.327
esigibili oltre l'esercizio successivo	0	-
Totale debiti verso istituti di previdenza e di sicurezza sociale	222.897	230.327
14) altri debiti		
esigibili entro l'esercizio successivo	415.291	363.996
esigibili oltre l'esercizio successivo	0	-
Totale altri debiti	415.291	363.996
Totale debiti	5.967.344	4.590.703
E) Ratei e risconti	2.817	0
Totale passivo	16.684.926	34.110.587

Conto economico

	31-12-2020	31-12-2019
Conto economico		
A) Valore della produzione		
1) ricavi delle vendite e delle prestazioni	19.039.410	17.421.639
2) variazioni delle rimanenze di prodotti in corso di lavorazione, semilavorati e finiti	(959.908)	(105.271)
5) altri ricavi e proventi		
altri	420.303	372.384
Totale altri ricavi e proventi	420.303	372.384
Totale valore della produzione	18.499.805	17.688.752
B) Costi della produzione		
6) per materie prime, sussidiarie, di consumo e di merci	12.185.911	10.159.069
7) per servizi	1.205.165	1.306.517
8) per godimento di beni di terzi	98.842	107.913
9) per il personale		
a) salari e stipendi	1.856.063	2.002.497
b) oneri sociali	575.784	610.100
c) trattamento di fine rapporto	142.121	155.634
e) altri costi	31.304	19.232
Totale costi per il personale	2.605.272	2.787.463
10) ammortamenti e svalutazioni		
a) ammortamento delle immobilizzazioni immateriali	8.166	11.180
b) ammortamento delle immobilizzazioni materiali	274.167	295.587
d) svalutazioni dei crediti compresi nell'attivo circolante e delle disponibilità liquide	273.474	0
Totale ammortamenti e svalutazioni	555.807	306.767
11) variazioni delle rimanenze di materie prime, sussidiarie, di consumo e merci	(5.998)	(51.481)
14) oneri diversi di gestione	98.144	99.624
Totale costi della produzione	16.743.143	14.715.872
Differenza tra valore e costi della produzione (A - B)	1.756.662	2.972.880
C) Proventi e oneri finanziari		
16) altri proventi finanziari		
d) proventi diversi dai precedenti		
da imprese controllate	1.125.296	0
Totale proventi diversi dai precedenti	1.125.296	0
Totale altri proventi finanziari	1.125.296	0
17) interessi e altri oneri finanziari		
altri	15.159	0
Totale interessi e altri oneri finanziari	15.159	0
17-bis) utili e perdite su cambi	71.764	(7.660)
Totale proventi e oneri finanziari (15 + 16 - 17 + - 17-bis)	1.181.901	(7.660)
D) Rettifiche di valore di attività e passività finanziarie		
Totale delle rettifiche di valore di attività e passività finanziarie (18 - 19)	0	0
Risultato prima delle imposte (A - B + - C + - D)	2.938.563	2.965.220
20) Imposte sul reddito dell'esercizio, correnti, differite e anticipate		
imposte correnti	590.101	832.313
imposte differite e anticipate	(60.000)	0
Totale delle imposte sul reddito dell'esercizio, correnti, differite e anticipate	530.101	832.313
21) Utile (perdita) dell'esercizio	2.408.462	2.132.907

Rendiconto finanziario, metodo indiretto

	31-12-2020	31-12-2019
Rendiconto finanziario, metodo indiretto		
A) Flussi finanziari derivanti dall'attività operativa (metodo indiretto)		
Utile (perdita) dell'esercizio	2.408.462	2.132.907
Imposte sul reddito	530.101	832.313
Interessi passivi/(attivi)	15.159	45
(Dividendi)	(1.125.296)	0
(Plusvalenze)/Minusvalenze derivanti dalla cessione di attività	0	0
1) Utile (perdita) dell'esercizio prima d'imposte sul reddito, interessi, dividendi e plus/minusvalenze da cessione	1.828.426	2.957.605
Rettifiche per elementi non monetari che non hanno avuto contropartita nel capitale circolante netto		
Accantonamenti ai fondi	142.121	0
Ammortamenti delle immobilizzazioni	282.333	306.767
Svalutazioni per perdite durevoli di valore	0	0
Rettifiche di valore di attività e passività finanziarie di strumenti finanziari derivati che non comportano movimentazione monetarie	0	0
Altre rettifiche in aumento/(in diminuzione) per elementi non monetari	0	0
Totale rettifiche per elementi non monetari che non hanno avuto contropartita nel capitale circolante netto	424.454	306.767
2) Flusso finanziario prima delle variazioni del capitale circolante netto	2.252.880	3.264.372
Variazioni del capitale circolante netto		
Decremento/(Incremento) delle rimanenze	953.910	53.792
Decremento/(Incremento) dei crediti verso clienti	4.918.513	1.101.799
Incremento/(Decremento) dei debiti verso fornitori	985.859	1.293.753
Decremento/(Incremento) dei ratei e risconti attivi	(7.021)	12.040
Incremento/(Decremento) dei ratei e risconti passivi	2.817	(3.203)
Altri decrementi/(Altri incrementi) del capitale circolante netto	482.003	(1.383.759)
Totale variazioni del capitale circolante netto	7.336.081	1.074.422
3) Flusso finanziario dopo le variazioni del capitale circolante netto	9.588.961	4.338.794
Altre rettifiche		
Interessi incassati/(pagati)	(15.159)	(45)
(Imposte sul reddito pagate)	(543.627)	0
Dividendi incassati	1.125.296	0
(Utilizzo dei fondi)	0	4.642
Altri incassi/(pagamenti)	0	0
Totale altre rettifiche	566.510	4.597
Flusso finanziario dell'attività operativa (A)	10.155.471	4.343.391
B) Flussi finanziari derivanti dall'attività d'investimento		
Immobilizzazioni materiali		
(Investimenti)	0	(85.176)
Disinvestimenti	5.095.619	0
Immobilizzazioni immateriali		
(Investimenti)	0	(19.201)
Disinvestimenti	0	0
Immobilizzazioni finanziarie		
(Investimenti)	(32.464)	0
Disinvestimenti	0	0
Attività finanziarie non immobilizzate		
(Investimenti)	0	0

Disinvestimenti	0	0
(Acquisizione di rami d'azienda al netto delle disponibilità liquide)	0	0
Cessione di rami d'azienda al netto delle disponibilità liquide	0	0
Flusso finanziario dell'attività di investimento (B)	5.063.155	(104.377)
C) Flussi finanziari derivanti dall'attività di finanziamento		
Mezzi di terzi		
Incremento/(Decremento) debiti a breve verso banche	393.547	0
Accensione finanziamenti	0	0
(Rimborso finanziamenti)	0	0
Mezzi propri		
Aumento di capitale a pagamento	0	0
(Rimborso di capitale)	(8.849.276)	0
Cessione/(Acquisto) di azioni proprie	0	0
(Dividendi e acconti su dividendi pagati)	(16.000.000)	0
Flusso finanziario dell'attività di finanziamento (C)	(24.455.729)	0
Incremento (decremento) delle disponibilità liquide (A ± B ± C)	(9.237.103)	4.239.014
Effetto cambi sulle disponibilità liquide	0	0
Disponibilità liquide a inizio esercizio		
Depositi bancari e postali	9.453.221	5.205.835
Assegni	0	0
Danaro e valori in cassa	176	888
Totale disponibilità liquide a inizio esercizio	9.453.397	5.206.723
Di cui non liberamente utilizzabili	0	0
Disponibilità liquide a fine esercizio		
Depositi bancari e postali	3.798.640	9.453.221
Danaro e valori in cassa	1.304	176
Totale disponibilità liquide a fine esercizio	3.799.944	9.453.397
Di cui non liberamente utilizzabili	0	0

Informazioni in calce al rendiconto finanziario

Si precisa che Euro 5.095.619€ (prezzo di realizzo di disinvestimenti) ed Euro 5.218.486€ (rimborso di capitale) non rappresentano flussi monetari, rispettivamente in entrata e in uscita, in quanto trattasi di operazioni legate alla scissione

Nota integrativa al Bilancio di esercizio chiuso al 31-12-2020

Nota integrativa, parte iniziale

Nota Integrativa al bilancio di esercizio al 31/12/2020

PREMESSA

Il bilancio chiuso al 31/12/2020 di cui la presente nota integrativa costituisce parte integrante ai sensi dell'art. 2423, primo comma del Codice Civile, corrisponde alle risultanze delle scritture contabili regolarmente tenute ed è redatto conformemente agli articoli 2423, 2423 ter, 2424, 2424 bis, 2425, 2425 bis, 2425 ter del Codice Civile, secondo principi di redazione conformi a quanto stabilito dall'art. 2423 bis e criteri di valutazione di cui all'art. 2426 c.c..

Principi di redazione

PRINCIPI DI REDAZIONE

Al fine di redigere il bilancio con chiarezza e fornire una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria e del risultato economico conformemente al disposto dell'articolo 2423 bis del Codice Civile, si è provveduto a:

- valutare le singole voci secondo prudenza ed in previsione di una normale continuità aziendale;
- includere i soli utili effettivamente realizzati nel corso dell'esercizio;
- determinare i proventi ed i costi nel rispetto della competenza temporale, ed indipendentemente dalla loro manifestazione finanziaria;
- comprendere tutti i rischi e le perdite di competenza, anche se divenuti noti dopo la conclusione dell'esercizio;
- considerare distintamente, ai fini della relativa valutazione, gli elementi eterogenei inclusi nelle varie voci del bilancio;
- mantenere immutati i criteri di valutazione adottati rispetto al precedente esercizio.

Sono stati altresì rispettati i seguenti postulati di bilancio di cui all'OIC 11 par. 15:

- a) prudenza;
- b) prospettiva della continuità aziendale;
- c) rappresentazione sostanziale;
- d) competenza;
- e) costanza nei criteri di valutazione;
- f) rilevanza;
- g) comparabilità.

Prospettiva della continuità aziendale

Per quanto concerne tale principio, la valutazione delle voci di bilancio è stata effettuata nella prospettiva della continuità aziendale e quindi tenendo conto del fatto che l'azienda costituisce un complesso economico funzionante, destinato, almeno per un prevedibile arco di tempo futuro (12 mesi dalla data di riferimento di chiusura del bilancio), alla produzione di reddito.

Nella valutazione prospettica circa il presupposto della continuità aziendale, non sono emerse significative incertezze. né sono state individuate ragionevoli motivazioni che possano portare alla cessazione dell'attività.

La società opera nel settore delle telecomunicazioni e come già riferito, l'emergenza covid non pone alcun rischio circa la continuità dell'azienda.

Allo stato attuale non ci sono rischi per la continuità aziendale.

Casi eccezionali ex art. 2423, quinto comma, del Codice Civile

CASI ECCEZIONALI EX ART. 2423, QUINTO COMMA DEL CODICE CIVILE

Non si sono verificati eventi eccezionali che abbiano reso necessario il ricorso a deroghe di cui all'art.2423, quinto comma del Codice Civile.

Cambiamenti di principi contabili

CAMBIAMENTI DI PRINCIPI CONTABILI

Non si sono verificati cambiamenti di principi contabili nell'esercizio.

Correzione di errori rilevanti

CORREZIONE DI ERRORI RILEVANTI

Non sono emersi nell'esercizio errori commessi in esercizi precedenti.

Problematiche di comparabilità e di adattamento

PROBLEMATICHE DI COMPARABILITÀ E ADATTAMENTO

Non ci sono elementi dell'attivo e del passivo che ricadano sotto più voci dello schema di bilancio.

Ai sensi dell'art. 2423 ter, quinto comma del Codice Civile, non si sono manifestate problematiche di comparabilità e adattamento delle voci di bilancio dell'esercizio corrente con quelle relative all'esercizio precedente.

Attività della società

La società esercita attività di produzione, sviluppo e vendita di componenti, dispositivi, attrezzature, ed accessori per reti di telecomunicazione e le reti FTTH in fibra ottica.

Informativa sull'andamento aziendale e fatti di rilievo avvenuti nel corso dell'esercizio

In data 11 marzo 2020 i soci di Optotec SpA hanno deliberato la scissione parziale proporzionale del compendio immobiliare sito in Garbagnate Milanese (MI) e di tutti i rapporti giuridici, attivi e passivi, strumentali all'utilizzo, alla gestione e alla concessione in uso del menzionato compendio immobiliare in favore di una società a responsabilità limitata di diritto italiano di nuova costituzione avente ad oggetto l'esercizio dell'attività di gestione attiva dei beni immobili.

Si precisa che la Optotec SpA continuerà a svolgere la propria attività imprenditoriale nel settore dell'attività di produzione e commercializzazione di apparati per le telecomunicazioni e le reti FTTH in fibra ottica

L'atto di scissione si è reso esecutivo in data 24/11/2020.

In data 06 febbraio 2020 è avvenuta la Scissione asimmetrica NTET non proporzionale che ha previsto il trasferimento dell'asset Optotec a due nuove società in parti uguali e precisamente il 47,50% ciascuna.

A seguito del cambiamento dell'assetto societario la Optotec SpA è uscita dal consolidato fiscale a partire dall'esercizio 2020.

Criteria di valutazione applicati

CRITERI DI VALUTAZIONE APPLICATI

I criteri applicati nella valutazione delle voci di bilancio, esposti di seguito, sono conformi a quanto disposto dall'art. 2426 del Codice Civile.

I criteri di valutazione di cui all'art. 2426 del Codice Civile sono conformi a quelli utilizzati nella redazione del bilancio del precedente esercizio.

Immobilizzazioni immateriali

Le immobilizzazioni immateriali sono iscritte, nel limite del valore recuperabile, al costo di acquisto o di produzione interna, inclusi tutti gli oneri accessori di diretta imputazione, e sono sistematicamente ammortizzate in quote costanti in relazione alla residua possibilità di utilizzazione del bene.

I beni immateriali, costituiti da licenze, sono ammortizzati nel periodo minore tra la durata legale o contrattuale e la residua possibilità di utilizzazione.

Le immobilizzazioni il cui valore alla data di chiusura dell'esercizio risulti durevolmente inferiore al residuo costo da ammortizzare sono iscritte a tale minor valore; questo non è mantenuto se nei successivi esercizi vengono meno le ragioni della rettifica effettuata.

L'iscrizione e la valorizzazione delle poste inserite nella categoria delle immobilizzazioni immateriali è stata operata con il consenso del Collegio Sindacale, ove ciò sia previsto dal Codice Civile.

Immobilizzazioni materiali

Le immobilizzazioni materiali sono rilevate alla data in cui avviene il trasferimento dei rischi e dei benefici connessi ai beni acquisiti e sono iscritte, nel limite del valore recuperabile, al costo di acquisto o di produzione al netto dei relativi fondi di ammortamento, inclusi tutti i costi e gli oneri accessori di diretta imputazione, dei costi indiretti inerenti la produzione interna, nonché degli oneri relativi al finanziamento della fabbricazione interna sostenuti nel periodo di fabbricazione e fino al momento nel quale il bene può essere utilizzato.

I costi sostenuti sui beni esistenti a fini di ampliamento, ammodernamento e miglioramento degli elementi strutturali, nonché quelli sostenuti per aumentarne la rispondenza agli scopi per cui erano stati acquisiti, e le manutenzioni straordinarie in conformità con quanto disposto dall'OIC 16 ai par. da 49 a 53, sono stati capitalizzati solo in presenza di un aumento significativo e misurabile della capacità produttiva o della vita utile. Per tali beni l'ammortamento è stato applicato in modo unitario sul nuovo valore contabile tenuto conto della residua vita utile.

Per le immobilizzazioni materiali costituite da un assieme di beni tra loro coordinati, in conformità con quanto disposto dall'OIC 16 ai par. 45 e 46, si è proceduto alla determinazione dei valori dei singoli cespiti ai fini di individuare la diversa durata della loro vita utile.

Il costo delle immobilizzazioni la cui utilizzazione è limitata nel tempo è sistematicamente ammortizzato in ogni esercizio sulla base di aliquote economico-tecniche determinate in relazione alla residua possibilità di utilizzazione. Tutti i cespiti, compresi quelli temporaneamente non utilizzati, sono stati ammortizzati, ad eccezione di quelli la cui utilità non si esaurisce, e che sono costituiti da terreni, fabbricati non strumentali e opere d'arte.

Sulla base di quanto disposto dall'OIC 16 par.60, nel caso in cui il valore dei fabbricati incorpori anche il valore dei terreni sui quali essi insistono si è proceduto allo scorporo del valore del fabbricato.

L'ammortamento decorre dal momento in cui i beni sono disponibili e pronti per l'uso.

Sono state applicate le aliquote che rispecchiano il risultato dei piani di ammortamento tecnici, confermate dalle realtà aziendali e ridotte del 50% per le acquisizioni nell'esercizio, in quanto esistono per queste ultime le condizioni previste dall'OIC 16 par.61.

I piani di ammortamento, in conformità dell'OIC 16 par.70 sono rivisti in caso di modifica della residua possibilità di utilizzazione.

I cespiti obsoleti e quelli che non saranno più utilizzati o utilizzabili nel ciclo produttivo, sulla base dell'OIC 16 par. 80 non sono stati ammortizzati e sono stati valutati al minor valore tra il valore netto contabile e il valore recuperabile.

Le immobilizzazioni in corso ricomprendono i beni materiali in corso di realizzazione. Tali costi rimangono iscritti in tale voce fino a quando non sia acquisita la titolarità del diritto o non sia completato il progetto. Al verificarsi di tali condizioni, i corrispondenti valori sono riclassificati nelle voci di competenza delle immobilizzazioni materiali.

Le immobilizzazioni in corso non sono oggetto di ammortamento.

Qui di seguito sono specificate le aliquote applicate:

Fabbricati: 3%

Impianti e macchinari: 12%-30%

Attrezzature industriali e commerciali: 15%

Altri beni:

- mobili e arredi: 12%
- macchine ufficio elettroniche: 20%
- autoveicoli: 25%

Il costo è stato rivalutato in applicazione di leggi di rivalutazione monetaria ed, in ogni caso, non eccede il valore recuperabile.

Operazioni di locazione finanziaria

Le operazioni di locazione finanziaria sono rilevate, conformemente alla normativa civilistica vigente, sulla base del 'metodo patrimoniale' che prevede la contabilizzazione a conto economico dei canoni di locazione di competenza.

L'adozione della 'metodologia finanziaria' avrebbe comportato la contabilizzazione a conto economico, in luogo dei canoni, delle quote di ammortamento sul valore dei beni acquisiti in leasing, commisurate alla durata di utilizzo, e degli interessi sul capitale residuo finanziato, oltre all'iscrizione dei beni nell'attivo patrimoniale e del residuo debito nel passivo patrimoniale.

Si fa presente che i canoni leasing iscritti in bilancio si riferiscono al leasing di un'auto aziendale estinto nel corso del 2020 ed il bene è stato riscattato.

Partecipazioni

Le partecipazioni sono classificate nell'attivo immobilizzato ovvero nell'attivo circolante sulla base della loro destinazione.

L'iscrizione iniziale è effettuata al costo di acquisto o di acquisizione, comprensivo dei costi accessori.

Il valore di iscrizione delle partecipazioni si incrementa per effetto degli aumenti di capitale a pagamento o di rinuncia al credito da parte del Socio. Gli aumenti di capitale a titolo gratuito non incrementano il valore delle partecipazioni.

Partecipazioni immobilizzate

Le partecipazioni immobilizzate, quotate e non quotate, sono state valutate attribuendo a ciascuna partecipazione il costo specificamente sostenuto.

Le partecipazioni in imprese controllate e collegate e in joint venture sono state valutate secondo la corrispondente frazione del patrimonio netto risultante dall'ultimo bilancio approvato dalle imprese partecipate, detratti i dividendi ed operate le rettifiche richieste dai principi di redazione del bilancio consolidato, nonché quelle necessarie per il rispetto dei principi indicati negli articoli 2423 e 2423 bis c.c..

Rimanenze

Le rimanenze sono rilevate alla data in cui avviene il trasferimento dei rischi e dei benefici connessi ai beni acquisiti e sono iscritte al minor valore tra il costo di acquisto o di produzione, comprensivo di tutti i costi e oneri accessori di diretta imputazione e dei costi indiretti inerenti alla produzione interna, ed il presumibile valore di realizzo desumibile dall'andamento del mercato.

Per costo di acquisto si intende il prezzo effettivo di acquisto, oltre agli oneri accessori. Il costo di acquisto dei materiali include, oltre al prezzo, anche i costi di trasporto, dogana, altri tributi e gli altri costi direttamente imputabili a quel materiale. I resi, gli sconti commerciali, gli abbuoni e premi sono stati portati in diminuzione dei costi.

Per costo di produzione si intendono tutti i costi diretti e indiretti per la quota ragionevolmente imputabile al prodotto, relativa al periodo di fabbricazione e fino al momento a partire dal quale il bene può essere utilizzato, considerati sulla base della capacità produttiva normale. Il costo di produzione non comprende i costi generali e amministrativi, i costi di distribuzione e i costi di ricerca e sviluppo.

Il valore di realizzazione desumibile dall'andamento del mercato è pari alla stima del prezzo di vendita delle merci e dei prodotti finiti nel corso della normale gestione, al netto dei presunti costi di completamento e dei costi diretti di vendita. Ai fini della determinazione del valore di realizzazione desumibile dall'andamento del mercato, si tiene conto, tra l'altro, del tasso di obsolescenza e dei tempi di rigiro del magazzino.

I beni fungibili sono stati valutati applicando il metodo del "Costo medio ponderato".

I prodotti in corso di lavorazione sono iscritti in base alle spese sostenute nell'esercizio;

Crediti

I crediti sono classificati nell'attivo immobilizzato ovvero nell'attivo circolante sulla base della destinazione / origine degli stessi rispetto all'attività ordinaria, e sono iscritti al valore di presunto realizzo.

La suddivisione degli importi esigibili entro e oltre l'esercizio è effettuata con riferimento alla scadenza contrattuale o legale, tenendo anche conto di fatti ed eventi che possono determinare una modifica della scadenza originaria, della realistica capacità del debitore di adempiere all'obbligazione nei termini contrattuali e dell'orizzonte temporale in cui, ragionevolmente, si ritiene di poter esigere il credito.

I crediti ai sensi dell'art. 2426, comma 1 numero 8 del codice civile sono rilevati secondo il criterio del costo ammortizzato, ad eccezione dei crediti per i quali gli effetti dell'applicazione del costo ammortizzato, ai sensi dell'art. 2423 comma 4 del codice civile, sono irrilevanti (scadenza inferiore ai 12 mesi).

Per il principio di rilevanza già richiamato, non sono stati attualizzati i crediti nel caso in cui il tasso d'interesse desumibile dalle condizioni contrattuali non sia significativamente diverso dal tasso di interesse di mercato.

Si è inoltre tenuto conto del 'fattore temporale' di cui all'art. 2426, comma 1 numero 8, operando l'attualizzazione dei crediti scadenti oltre i 12 mesi nel caso di differenza significativa tra tasso di interesse effettivo e tasso di mercato.

I crediti per i quali non è stato applicato il criterio del costo ammortizzato sono stati rilevati al valore di presumibile realizzo.

I crediti, indipendentemente dall'applicazione o meno del costo ammortizzato, sono rappresentati in bilancio al netto dell'iscrizione di un fondo svalutazione a copertura dei crediti ritenuti inesigibili, nonché del generico rischio relativo ai rimanenti crediti, basato su stime effettuate sulla base dell'esperienza passata, dell'andamento degli indici di anzianità dei crediti scaduti, della situazione economica generale, di settore e di rischio paese, nonché sui fatti intervenuti dopo la chiusura dell'esercizio che hanno riflessi sui valori alla data del bilancio.

Per i crediti assistiti da garanzie si è tenuto conto degli effetti relativi all'escussione delle garanzie, e per i crediti assicurati si è tenuto conto solo della quota non coperta dall'assicurazione.

Inoltre, è stato operato uno stanziamento in uno specifico fondo rischi con riferimento alla stima, basata sull'esperienza e su ogni altro elemento utile, di resi di merci o prodotti da parte dei clienti e di sconti e abbuoni che si presume verranno concessi al momento dell'incasso.

Crediti tributari e attività per imposte anticipate

La voce 'Crediti tributari' accoglie gli importi certi e determinati derivanti da crediti per i quali sia sorto un diritto di realizzo tramite rimborso o in compensazione.

La voce 'Imposte anticipate' accoglie le attività per imposte anticipate determinate in base alle differenze temporanee deducibili o al riporto a nuovo delle perdite fiscali, applicando l'aliquota stimata in vigore al momento in cui si ritiene tali differenze si riverseranno.

Le attività per imposte anticipate connesse ad una perdita fiscale sono state rilevate in presenza di ragionevole certezza del loro futuro recupero, comprovata da una pianificazione fiscale per un ragionevole periodo di tempo che prevede redditi imponibili sufficienti per utilizzare le perdite riportabili e/o dalla presenza di differenze temporanee imponibili sufficienti ad assorbire le perdite riportabili.

Disponibilità liquide

Le disponibilità liquide sono esposte al loro valore nominale.

Ratei e risconti

I ratei e i risconti sono stati iscritti sulla base del principio della competenza economico temporale e contengono i ricavi / costi di competenza dell'esercizio ed esigibili in esercizi successivi e i ricavi / costi sostenuti entro la chiusura dell'esercizio, ma di competenza di esercizi successivi.

Sono iscritte pertanto esclusivamente le quote di costi e di ricavi, comuni a due o più esercizi, l'entità dei quali varia in funzione del tempo.

Alla fine dell'esercizio si è verificato che le condizioni che hanno determinato la rilevazione iniziale siano state rispettate, apportando, se ricorresse il caso, le necessarie rettifiche di valore, tenendo conto oltre che dell'elemento temporale anche dell'eventuale recuperabilità.

I ratei attivi, assimilabili ai crediti di esercizio, sono stati valutati al valore presumibile di realizzo, operando, nel caso in cui tale valore fosse risultato inferiore al valore contabile, una svalutazione in conto economico.

I ratei passivi, assimilabili ai debiti, sono stati valutati al valore nominale.

Per i risconti attivi è stata operata la valutazione del futuro beneficio economico correlato ai costi differiti, operando, nel caso tale beneficio fosse risultato inferiore alla quota riscontata, una rettifica di valore.

Trattamento di fine rapporto di lavoro subordinato

Il trattamento di fine rapporto di lavoro subordinato è iscritto nel rispetto di quanto previsto dalla normativa vigente e corrisponde all'effettivo impegno della Società nei confronti dei singoli dipendenti alla data di chiusura del bilancio, dedotte le anticipazioni corrisposte.

L'ammontare del TFR relativo a rapporti di lavoro già cessati alla data di bilancio e il cui pagamento viene effettuato nell'esercizio successivo, sono classificati tra i debiti verso altri.

Debiti

I debiti ai sensi dell'art. 2426, comma 1 numero 8 del codice civile sono rilevati secondo il criterio del costo ammortizzato, ad eccezione dei debiti per i quali gli effetti dell'applicazione del costo ammortizzato, ai sensi dell'art. 2423 comma 4 del codice civile, sono irrilevanti (scadenza inferiore ai 12 mesi) Per il principio di rilevanza già richiamato, non sono stati attualizzati i debiti nel caso in cui il tasso d'interesse desumibile dalle condizioni contrattuali non sia significativamente diverso dal tasso di interesse di mercato

Si è inoltre tenuto conto del 'fattore temporale' di cui all'art. 2426, comma 1 numero 8, operando l'attualizzazione dei debiti scadenti oltre i 12 mesi nel caso di differenza significativa tra tasso di interesse effettivo e tasso di mercato.

I debiti per i quali non è stato applicato il criterio del costo ammortizzato sono stati rilevati al valore nominale.

La suddivisione degli importi esigibili entro e oltre l'esercizio è effettuata con riferimento alla scadenza contrattuale o legale, tenendo anche conto di fatti ed eventi che possono determinare una modifica della scadenza originaria.

I debiti originati da acquisizioni di beni sono iscritti al momento in cui sono trasferiti i rischi, gli oneri e i benefici; quelli relativi ai servizi sono rilevati al momento di effettuazione della prestazione; quelli finanziari e di altra natura al momento in cui scaturisce l'obbligazione verso la controparte.

I debiti tributari accolgono le passività per imposte certe e determinate, nonché le ritenute operate quale sostituto, e non ancora versate alla data del bilancio, e, ove la compensazione è ammessa, sono iscritti al netto di acconti, ritenute d'acconto e crediti d'imposta.

Dividendi

I dividendi vengono rilevati in bilancio come proventi finanziari nell'esercizio nel quale, in conseguenza della delibera assunta dall'assemblea dei Soci della partecipata di distribuire l'utile o, eventualmente, le riserve, sorge il diritto alla riscossione da parte della Società.

Valori in valuta

Le attività e le passività monetarie in valuta sono iscritte al tasso di cambio a pronti alla data di chiusura dell'esercizio, con imputazione a conto economico dei relativi utili e perdite su cambi.

L'eventuale utile netto derivante dall'adeguamento ai cambi è iscritto, per la parte non assorbita dall'eventuale perdita dell'esercizio, in una apposita riserva non distribuibile fino al momento del realizzo.

Costi e ricavi

I ricavi per prestazioni di vendita di beni sono rilevati quando il processo produttivo dei beni è stato completato e lo scambio è già avvenuto, ovvero si è verificato il passaggio sostanziale e non formale del titolo di proprietà, assumendo quale parametro di riferimento il trasferimento dei rischi e dei benefici.

I ricavi per prestazioni di servizi sono rilevati quando il servizio è reso, ovvero la prestazione è stata effettuata.

Utilizzo di Stime

La redazione del bilancio richiede l'effettuazione di stime che hanno effetto sui valori delle attività e passività. Le stime sono riviste periodicamente e gli effetti dei cambiamenti di stima, ove non derivanti da stime errate, sono rilevate nel conto economico dell'esercizio in cui si verificano i cambiamenti, se gli stessi hanno effetto solo su tale esercizio e anche sugli esercizi successivi se i cambiamenti influenzano sia l'esercizio corrente, sia quelli successivi.

Altre informazioni

ALTRE INFORMAZIONI

Sono stati osservati i principi e le raccomandazioni pubblicati dall'Organismo Italiano di Contabilità (OIC) integrati, ove mancanti, da principi internazionali di generale accettazione (IAS/IFRS e USGAAP), al fine di dare una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria e del risultato economico dell'esercizio.

Nota integrativa, attivo

INFORMAZIONI SULLO STATO PATRIMONIALE ATTIVO

Immobilizzazioni

IMMOBILIZZAZIONI

Immobilizzazioni immateriali

Immobilizzazioni immateriali

Le immobilizzazioni immateriali sono pari a € 6.400 (€ 14.566 nel precedente esercizio).

Movimenti delle immobilizzazioni immateriali

La composizione ed i movimenti delle singole voci sono così rappresentati:

	Diritti di brevetto industriale e diritti di utilizzazione delle opere dell'ingegno	Totale immobilizzazioni immateriali
Valore di inizio esercizio		
Costo	14.566	14.566
Valore di bilancio	14.566	14.566
Variazioni nell'esercizio		
Ammortamento dell'esercizio	8.166	8.166
Totale variazioni	(8.166)	(8.166)
Valore di fine esercizio		
Costo	6.400	6.400
Valore di bilancio	6.400	6.400

La voce è costituita da licenze d'uso.

Immobilizzazioni materiali

Immobilizzazioni materiali

Le immobilizzazioni materiali sono pari a € 249.267 (€ 5.619.053 nel precedente esercizio).

Movimenti delle immobilizzazioni materiali

La composizione ed i movimenti delle singole voci sono così rappresentati:

	Terreni e fabbricati	Impianti e macchinario	Attrezzature industriali e commerciali	Altre immobilizzazioni materiali	Totale Immobilizzazioni materiali
Valore di inizio esercizio					
Costo	4.538.274	970.710	2.563	107.506	5.619.053
Valore di bilancio	4.538.274	970.710	2.563	107.506	5.619.053
Variazioni nell'esercizio					
Incrementi per acquisizioni	0	0	25.076	51.418	76.494
Decrementi per alienazioni e dismissioni (del valore di bilancio)	4.416.881	771.644	0	(16.412)	5.172.113
Ammortamento dell'esercizio	121.393	77.414	4.760	70.600	274.167
Totale variazioni	(4.538.274)	(849.058)	20.316	(2.770)	(5.369.786)
Valore di fine esercizio					
Costo	0	121.652	22.879	104.736	249.267
Valore di bilancio	0	121.652	22.879	104.736	249.267

Qui di seguito sono fornite le seguenti ulteriori informazioni

Composizione della voce "Altri beni"

La voce "Altri beni" pari a € 104.736 è così composta:

	Descrizione	Valore di inizio esercizio	Variazioni nell'esercizio	Valore di fine esercizio
	Autovetture	87.355	2.810	90.165
	Telefoni cellulari	4.618	1.523	6.141
	Software Edp	0	0	0
	Apparecchiature elettroniche	10.521	-2.631	7.890
	Mobili ed Arredi	4.178	-4.178	0
	Mobili per Fiere	835	-295	540
	Telefoni da tavolo	0	0	0
	Autocarri	0	0	0
Totale		107.507	-2.771	104.736

Operazioni di locazione finanziaria

Operazioni di locazione finanziaria

Qui di seguito vengono riportate le informazioni concernenti le operazioni di locazione finanziaria, ai sensi dell'art. 2427, comma 1 numero 22 del codice civile:

La tabella sottostante dettaglia le informazioni sopra indicate con riferimento ai singoli contratti in essere:

	Descrizione	Riferimento contratto società di leasing	Interessi passivi di competenza	Costo storico	Valore contabile
	Financial Service	AS / 1680645	1.400	108.530	35.152
Totale			1.400	108.530	35.152

Come già esposto nella prima parte della nota integrativa i canoni leasing iscritti in bilancio si riferiscono esclusivamente al leasing di un'auto aziendale estinto nel corso del 2020.

Immobilizzazioni finanziarie

Immobilizzazioni finanziarie

Movimenti di partecipazioni, altri titoli e strumenti finanziari derivati attivi immobilizzati

Partecipazioni, altri titoli e strumenti derivati finanziari attivi

Le partecipazioni comprese nelle immobilizzazioni finanziarie sono pari a € 100.412 (€ 67.947 nel precedente esercizio).

La variazione è derivante dall'acquisto della parte residuale della partecipazione in Optotec International SA. Pertanto al 31/12/2020 la Optotec Spa possiede il 100% della partecipazione in Optotec International SA.

La composizione ed i movimenti delle singole voci sono così rappresentati:

	Partecipazioni in imprese controllate	Partecipazioni in altre imprese	Totale Partecipazioni
Valore di inizio esercizio			
Costo	67.178	769	67.947
Valore di bilancio	67.178	769	67.947
Variazioni nell'esercizio			
Incrementi per acquisizioni	32.464	0	32.464
Altre variazioni	0	1	1
Totale variazioni	32.464	1	32.465
Valore di fine esercizio			
Costo	99.642	770	100.412
Valore di bilancio	99.642	770	100.412

Variazioni e scadenza dei crediti immobilizzati

Crediti immobilizzati

I crediti compresi nelle immobilizzazioni finanziarie sono pari a € 0 (€ 1.600.000 nel precedente esercizio).

Nel corso dell'esercizio chiuso al 31/12/2020 è stato interamente incassato il credito di € 1.600.000 detenuto nei confronti della Gima Srl.

La composizione ed i movimenti delle singole voci sono così rappresentati:

	Importo nominale iniziale	Fondo svalutazione iniziale	Valore netto iniziale	Accantonamenti al fondo svalutazione	Utilizzi del fondo svalutazione
Verso altri esigibili oltre esercizio successivo	1.600.000	0	1.600.000	0	0
Totale	1.600.000	0	1.600.000	0	0

	(Svalutazioni) /Ripristini di valore	Riclassificato da/(a) altre voci	Altri movimenti incrementi/ (decrementi)	Importo nominale finale	Fondo svalutazione finale	Valore netto finale
Verso altri esigibili oltre esercizio successivo	0	0	-1.600.000	0	0	0
Totale	0	0	-1.600.000	0	0	0

Qui di seguito sono rappresentati i movimenti di sintesi:

	Valore di inizio esercizio	Variazioni nell'esercizio	Valore di fine esercizio	Quota scadente entro l'esercizio	Quota scadente oltre l'esercizio	Di cui di durata residua superiore a 5 anni
Crediti immobilizzati verso altri	1.600.000	(1.600.000)	0	0	0	0
Totale crediti immobilizzati	1.600.000	(1.600.000)	0	0	0	0

Dettagli sulle partecipazioni immobilizzate in imprese controllate

Partecipazioni in imprese controllate

Vengono di seguito riportati i dati relativi alle partecipazioni in imprese controllate, ai sensi dell'art. 2427, comma 1 numero 5 del codice civile:

Denominazione	Città, se in Italia, o Stato estero	Codice fiscale (per imprese italiane)	Capitale in euro	Utile (Perdita) ultimo esercizio in euro	Patrimonio netto in euro	Quota posseduta in euro	Quota posseduta in %	Valore a bilancio o corrispondente credito
Optotec International SA	LUGANO		92.121	172.057	1.714.436	92.121	100,00%	99.642
Totale								99.642

Nel corso dell'esercizio chiuso al 31.12.2020 la società ha acquisito l'intera partecipazione della Optotec International SA.

In merito alla differenza tra il valore di carico e il patrimonio netto di spettanza della Società controllata, si precisa che non essendoci indicatori di perdita durevole della partecipazione, non si è proceduto a variarne il valore, mantenendo pertanto in prezzo di acquisto.

Attivo circolante

ATTIVO CIRCOLANTE

Rimanenze

Rimanenze

I beni sono rilevati nelle rimanenze nel momento in cui avviene il trasferimento dei rischi e i benefici connessi ai beni acquisiti, e conseguentemente includono i beni esistenti presso i magazzini della società, ad esclusione di quelli ricevuti da terzi per i quali non è stato acquisito il diritto di proprietà (in visione, in conto lavorazione, in conto deposito), i beni di proprietà verso terzi (in visione, in conto lavorazione, in conto deposito) e i beni in viaggio ove siano stati già trasferiti i rischi e i benefici connessi ai beni acquisiti.

Le rimanenze comprese nell'attivo circolante sono pari a € 6.116.153 (€ 7.070.063 nel precedente esercizio).

I valori di fine esercizio non si discostano dai valori correnti delle giacenze

La composizione ed i movimenti delle singole voci sono così rappresentati:

	Valore di inizio esercizio	Variazione nell'esercizio	Valore di fine esercizio
Materie prime, sussidiarie e di consumo	593.756	5.998	599.754
Prodotti in corso di lavorazione e semilavorati	529.596	12.494	542.090
Prodotti finiti e merci	5.946.711	(972.402)	4.974.309
Totale rimanenze	7.070.063	(953.910)	6.116.153

Immobilizzazioni materiali destinate alla vendita

Immobilizzazioni materiali destinate alla vendita

Le immobilizzazioni materiali destinate alla vendita sono pari a € 0 (€ 0 nel precedente esercizio).

Ai sensi dell'OIC 16 par.75 sono state riclassificate nell'attivo circolante e pertanto valutate al minore fra il valore netto contabile e il valore di realizzazione desumibile dall'andamento del mercato, e non sono oggetto di ammortamento.

Crediti iscritti nell'attivo circolante

Crediti

I crediti compresi nell'attivo circolante sono pari a € 6.380.414 (€ 10.260.246 nel precedente esercizio).

La composizione è così rappresentata:

	Esigibili entro l'esercizio successivo	Esigibili oltre l'esercizio	Valore nominale totale	(Fondi rischi /svalutazioni)	Valore netto
Verso clienti	4.332.129	0	4.332.129	346.331	3.985.798
Crediti tributari	1.901.486	0	1.901.486		1.901.486
Imposte anticipate			60.000		60.000
Verso altri	430.804	2.326	433.130	0	433.130
Totale	6.664.419	2.326	6.726.745	346.331	6.380.414

Variazioni e scadenza dei crediti iscritti nell'attivo circolante

I crediti verso clienti, tutti valutati esigibili entro l'esercizio, sono relativi a crediti derivanti da normali operazioni di vendita.

Vi informiamo inoltre che vi sono concentrazioni di crediti significativi verso pochi clienti (molto concentrati 68% dei crediti si riferisce ai primi 5 clienti)

Il fondo svalutazione crediti copre adeguatamente i rischi connessi all'esigibilità

La movimentazione del fondo svalutazione crediti è così dettagliata:

Descrizione	Movimentazione
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Saldo Esercizio precedente	74.400
Utilizzi dell'esercizio	(1.543)
Accantonamento dell'esercizio	273.474
TOTALE FONDO SVALUAZ.CREDITI	346.331

La composizione dei crediti tributari è così dettagliata:

Descrizione	Crediti
Crediti per ritenute subite	7.770
Credito imposta L.160/2019	1.505
Credito Iva	1.892.211
TOTALE CREDITI TRIBUTARI	1.901.486

I crediti per imposte anticipate si sono formati per effetto della svalutazione dei crediti commerciali oltre la soglia di deducibilità fiscale, e precisamente:

Descrizione	Importo	Imposte anticipate
Ammontare dei crediti svalutati	4.694.776	
Accantonamento 0.50%	23.474	
Svalutazione dei crediti	250.000	60.000

Crediti - Distinzione per scadenza

Vengono di seguito riportati i dati relativi alla suddivisione dei crediti per scadenza, ai sensi dell'art. 2427, comma 1 numero 6 del codice civile:

	Valore di inizio esercizio	Variazione nell'esercizio	Valore di fine esercizio	Quota scadente entro l'esercizio	Quota scadente oltre l'esercizio	Di cui di durata residua superiore a 5 anni
Crediti verso clienti iscritti nell'attivo circolante	8.904.311	(4.918.513)	3.985.798	3.985.798	0	0
Crediti verso imprese controllanti iscritti nell'attivo circolante	262.821	(262.821)	0	0	0	0
Crediti verso imprese sottoposte al controllo delle controllanti iscritti nell'attivo circolante	1.878	(1.878)	0	0	0	0
Crediti tributari iscritti nell'attivo circolante	1.031.406	870.080	1.901.486	1.901.486	0	0
Attività per imposte anticipate iscritte nell'attivo circolante	51.699	8.301	60.000			
Crediti verso altri iscritti nell'attivo circolante	8.131	424.999	433.130	430.804	2.326	0
Totale crediti iscritti nell'attivo circolante	10.260.246	(3.879.832)	6.380.414	6.318.088	2.326	0

Suddivisione dei crediti iscritti nell'attivo circolante per area geografica

Crediti - Ripartizione per area geografica

Vengono di seguito riportati i dati relativi alla suddivisione dei crediti iscritti nell'attivo circolante per area geografica, ai sensi dell'art. 2427, comma 1 numero 6 del codice civile:

Area geografica	italia	estero	Totale
Crediti verso clienti iscritti nell'attivo circolante	2.813.358	1.172.440	3.985.798
Crediti verso controllanti iscritti nell'attivo circolante	-	-	0
Crediti verso imprese sottoposte al controllo delle controllanti iscritti nell'attivo circolante	-	-	0
Crediti tributari iscritti nell'attivo circolante	1.901.486	0	1.901.486
Attività per imposte anticipate iscritte nell'attivo circolante	60.000	0	60.000
Crediti verso altri iscritti nell'attivo circolante	433.130	0	433.130
Totale crediti iscritti nell'attivo circolante	5.207.974	1.172.440	6.380.414

Disponibilità liquide

Disponibilità liquide

Le disponibilità liquide comprese nell'attivo circolante sono pari a € 3.799.944 (€ 9.453.397 nel precedente esercizio).

La principale motivazione del decremento è dovuta al pagamento di dividendi ai soci per euro 16.000.000.

La composizione ed i movimenti delle singole voci sono così rappresentati:

	Valore di inizio esercizio	Variazione nell'esercizio	Valore di fine esercizio
Depositi bancari e postali	9.453.221	(5.654.581)	3.798.640
Denaro e altri valori in cassa	176	1.128	1.304
Totale disponibilità liquide	9.453.397	(5.653.453)	3.799.944

Ratei e risconti attivi

RATEI E RISCONTI ATTIVI

I ratei e risconti attivi sono pari a € 32.336 (€ 25.315 nel precedente esercizio).

La composizione ed i movimenti delle singole voci sono così rappresentati:

	Valore di inizio esercizio	Variazione nell'esercizio	Valore di fine esercizio
Ratei attivi	108	9.169	9.277
Risconti attivi	25.207	(2.148)	23.059
Totale ratei e risconti attivi	25.315	7.021	32.336

Composizione dei ratei attivi:

	Descrizione	Importo
	Incentivo fotovoltaico	9.277
Totale		9.277

Composizione dei risconti attivi:

	Descrizione	Importo

	Descrizione	Importo
	Bollo auto	2.650
	Assicurazione auto	3.388
	costo fideiussione	16.721
	Leasing	300
	Altro	0
Totale		23.059

Nota integrativa, passivo e patrimonio netto

INFORMAZIONI SULLO STATO PATRIMONIALE PASSIVO E PATRIMONIO NETTO

Patrimonio netto

PATRIMONIO NETTO

Il patrimonio netto esistente alla chiusura dell'esercizio è pari a € 10.321.056 (€ 29.131.080 nel precedente esercizio).

Variazioni nelle voci di patrimonio netto

Variazioni nelle voci di patrimonio netto

La variazione del patrimonio netto è avvenuta per effetto delle seguenti operazioni:

- **Atto di Scissione** del 24 novembre 2020 con il quale è stato trasferito l'intero complesso immobiliare della Optteoc S.p.A.. L'operazione straordinaria di trasferimento di una parte del patrimonio della Optotec, pari ad euro 5.218.484, ad una società di nuova costituzione non ha comportato la riduzione del capitale sociale della società scissa, in quanto l'apporto complessivo alla società beneficiaria è stato prelevato dalle riserve disponibili e precisamente:

Riserva di Rivalutazione per euro 1.186.699

Riserva di Utili per euro 3.401.785

- **Distribuzione di Dividendi** per euro 16.000.000, prelevati dalla Riserva Straordinaria, avvenuto in data 08/07/2020.

Nei prospetti riportati di seguito viene evidenziata la movimentazione subita durante l'esercizio dalle singole poste che compongono il Patrimonio Netto e il dettaglio della voce 'Altre riserve':

	Valore di inizio esercizio	Destinazione del risultato dell'esercizio precedente		Altre variazioni			Risultato d'esercizio	Valore di fine esercizio
		Attribuzione di dividendi	Altre destinazioni	Incrementi	Decrementi	Riclassifiche		
Capitale	3.650.184	0	0	0	0	0		3.650.184
Riserva da soprapprezzo delle azioni	0	-	-	-	-	-		0
Riserve di rivalutazione	5.342.292	0	0	0	1.816.699	0		3.525.593
Riserva legale	722.400	0	0	7.637	0	0		730.037
Riserve statutarie	0	-	-	-	-	-		0
Altre riserve								
Riserva straordinaria	17.283.295	16.000.000	0	2.125.270	3.401.785	0		6.780
Varie altre riserve	2	0	0	0	2	0		0
Totale altre riserve	17.283.297	16.000.000	0	2.125.270	3.401.787	0		6.780
Riserva per operazioni di copertura dei flussi finanziari attesi	0	-	-	-	-	-		0
Utili (perdite) portati a nuovo	0	-	-	-	-	-		0
Utile (perdita) dell'esercizio	2.132.907	0	(2.132.907)	0	0	0	2.408.462	2.408.462
Perdita ripianata nell'esercizio	0	-	-	-	-	-		0

	Valore di inizio esercizio	Destinazione del risultato dell'esercizio precedente		Altre variazioni			Risultato d'esercizio	Valore di fine esercizio
		Attribuzione di dividendi	Altre destinazioni	Incrementi	Decrementi	Riclassifiche		
Riserva negativa per azioni proprie in portafoglio	0	-	-	-	-	-		0
Totale patrimonio netto	29.131.080	16.000.000	(2.132.907)	2.132.907	5.218.486	0	2.408.462	10.321.056

Ai fini di una migliore intelligibilità delle variazioni del patrimonio netto qui di seguito vengono evidenziate le movimentazioni dell'esercizio precedente delle voci del patrimonio netto:

	Valore di inizio esercizio	Altre destinazioni
Capitale	3.650.184	0
Riserve di rivalutazione	5.342.292	0
Riserva legale	722.400	0
Altre riserve		
Riserva straordinaria	15.081.371	0
Varie altre riserve	2	0
Totale altre riserve	15.081.373	0
Utile (perdita) dell'esercizio	2.201.924	-2.201.924
Totale Patrimonio netto	26.998.173	-2.201.924

	Riclassifiche	Risultato d'esercizio	Valore di fine esercizio
Capitale	0		3.650.184
Riserve di rivalutazione	0		5.342.292
Riserva legale	0		722.400
Altre riserve			
Riserva straordinaria	2.201.924		17.283.295
Varie altre riserve	0		2
Totale altre riserve	2.201.924		17.283.297
Utile (perdita) dell'esercizio	0	2.132.907	2.132.907
Totale Patrimonio netto	2.201.924	2.132.907	29.131.080

Disponibilità e utilizzo del patrimonio netto

Disponibilità ed utilizzo delle voci di patrimonio netto

Le informazioni richieste dall'articolo 2427, comma 1 numero 7-bis del codice civile relativamente alla specificazione delle voci del patrimonio netto con riferimento alla loro origine, possibilità di utilizzazione e distribuibilità, nonché alla loro avvenuta utilizzazione nei precedenti esercizi, sono desumibili dai prospetti sottostanti:

	Importo	Origine / natura	Possibilità di utilizzazione	Quota disponibile	Riepilogo delle utilizzazioni effettuate nei tre precedenti esercizi	
					per copertura perdite	per altre ragioni
Capitale	3.650.184			0	0	0
Riserva da soprapprezzo delle azioni	0			-	-	-

	Importo	Origine / natura	Possibilità di utilizzazione	Quota disponibile	Riepilogo delle utilizzazioni effettuate nei tre precedenti esercizi	
					per copertura perdite	per altre ragioni
Riserve di rivalutazione	3.525.593		A,B,C,	3.525.593	0	0
Riserva legale	730.037		B	0	0	0
Riserve statutarie	0			-	-	-
Altre riserve						
Riserva straordinaria	6.780		A,B,C,	6.780	0	0
Varie altre riserve	0			-	-	-
Totale altre riserve	6.780			6.780	0	0
Riserva per operazioni di copertura dei flussi finanziari attesi	0			-	-	-
Riserva negativa per azioni proprie in portafoglio	0			-	-	-
Totale	7.912.594			3.532.373	0	0
Residua quota distribuibile				3.532.373		

Legenda: A: per aumento di capitale B: per copertura perdite C: per distribuzione ai soci D: per altri vincoli statutarie E: altro

A complemento delle informazioni fornite sul Patrimonio netto qui di seguito si specificano le seguenti ulteriori informazioni.

Riserve di rivalutazione

La composizione delle riserve di rivalutazione è la seguente:

	Valore di inizio esercizio	Utilizzo per copertura perdite	Altri movimenti	Valore di fine esercizio
Legge n. 342/2000	3.844.411	0	-1.307.330	2.537.081
Altre rivalutazioni				
Decreto Legge n. 185/2008	1.497.881	0	-509.369	988.512
Altre	2.346.530	0	-797.961	1.548.569
Totale Altre rivalutazioni	3.844.411	0	-1.307.330	2.537.081
Totale Riserve di rivalutazione	5.342.292	0	-2.614.660	3.525.593

Trattamento di fine rapporto di lavoro subordinato

TFR

Il trattamento di fine rapporto di lavoro subordinato è iscritto tra le passività per complessivi € 393.709 (€ 388.804 nel precedente esercizio).

La composizione ed i movimenti delle singole voci sono così rappresentati:

	Trattamento di fine rapporto di lavoro subordinato
Valore di inizio esercizio	388.804
Variazioni nell'esercizio	
Accantonamento nell'esercizio	142.121
Utilizzo nell'esercizio	137.216

	Trattamento di fine rapporto di lavoro subordinato
Totale variazioni	4.905
Valore di fine esercizio	393.709

Debiti

DEBITI

I debiti sono iscritti nelle passività per complessivi € 5.967.344 (€ 4.590.703 nel precedente esercizio).

La composizione delle singole voci è così rappresentata:

	Valore di inizio esercizio	Variazioni nell'esercizio	Valore di fine esercizio
Debiti verso banche	0	393.547	393.547
Debiti verso fornitori	3.827.372	985.859	4.813.231
Debiti verso controllanti	72.155	-72.155	0
Debiti verso imprese sottoposte al controllo delle controllanti	6.437	-6.437	0
Debiti tributari	90.416	31.962	122.378
Debiti vs.istituti di previdenza e sicurezza sociale	230.327	-7.430	222.897
Altri debiti	363.996	51.295	415.291
Totale	4.590.703	1.376.641	5.967.344

Per quel che concerne i debiti verso fornitori, si specifica che vi sono contrazioni di debit verso pochi fornitori. Tanto è che i i primi 5 fronitori in ordine di valore, coprono l'88% dei debiti.

La composizione dei debiti tributari è così dettagliata:

Descrizione		Totale Debiti Tributari
Trattenute Irpef Dipendenti		72.687
Irpef Lavoratori Autonomi		3.217
Debito IRES	530.768	
Acconti Ires	(495.596)	
TOTALE DEBITO IRES		35.172
Debito IRAP	59.333	
Acconti Irap	(48.031)	
TOTALE DEBITO IRAP		11.302
TOTALE DEBITI TRIBUTARI		122.378

Variazioni e scadenza dei debiti

Debiti - Distinzione per scadenza

Qui di seguito vengono riportati i dati relativi alla suddivisione dei debiti per scadenza, ai sensi dell'art. 2427, comma 1 numero 6 del codice civile:

	Valore di inizio esercizio	Variazione nell'esercizio	Valore di fine esercizio	Quota scadente entro l'esercizio	Quota scadente oltre l'esercizio	Di cui di durata residua superiore a 5 anni
Debiti verso banche	0	393.547	393.547	393.547	0	0
Debiti verso fornitori	3.827.372	985.859	4.813.231	4.813.231	0	0
Debiti verso controllanti	72.155	(72.155)	0	0	0	0
Debiti verso imprese sottoposte al controllo delle controllanti	6.437	(6.437)	0	0	0	0
Debiti tributari	90.416	31.962	122.378	122.378	0	0
Debiti verso istituti di previdenza e di sicurezza sociale	230.327	(7.430)	222.897	222.897	0	0
Altri debiti	363.996	51.295	415.291	415.291	0	0
Totale debiti	4.590.703	1.376.641	5.967.344	5.967.344	0	0

Suddivisione dei debiti per area geografica

Debiti - Ripartizione per area geografica

Qui di seguito vengono riportati i dati relativi alla suddivisione dei debiti per area geografica, ai sensi dell'art. 2427, comma 1 numero 6 del codice civile:

Area geografica	italia	estero	Totale
Debiti verso banche	0	393.547	393.547
Debiti verso fornitori	1.307.420	3.505.811	4.813.231
Debiti verso imprese controllanti	-	-	0
Debiti verso imprese sottoposte al controllo delle controllanti	-	-	0
Debiti tributari	122.378	0	122.378
Debiti verso istituti di previdenza e di sicurezza sociale	222.897	0	222.897
Altri debiti	415.291	0	415.291
Debiti	2.067.986	3.899.358	5.967.344

Debiti assistiti da garanzie reali su beni sociali

Debiti assistiti da garanzie reali su beni sociali

Qui di seguito vengono riportate le informazioni concernenti le garanzie reali sui beni sociali, ai sensi dell'art. 2427, comma 1 numero 6 del codice civile:

	Debiti non assistiti da garanzie reali	Totale
Debiti verso banche	393.547	393.547
Debiti verso fornitori	4.813.231	4.813.231
Debiti verso controllanti	-	0
Debiti verso imprese sottoposte al controllo delle controllanti	-	0
Debiti tributari	122.378	122.378
Debiti verso istituti di previdenza e di sicurezza sociale	222.897	222.897
Altri debiti	415.291	415.291
Totale debiti	5.967.344	5.967.344

Ratei e risconti passivi

RATEI E RISCONTI PASSIVI

I ratei e risconti passivi sono iscritti nelle passività per complessivi € 2.817 (€ 0 nel precedente esercizio).

La composizione ed i movimenti delle singole voci sono così rappresentati:

	Valore di inizio esercizio	Variazione nell'esercizio	Valore di fine esercizio
Ratei passivi	0	1.500	1.500
Risconti passivi	0	1.317	1.317
Totale ratei e risconti passivi	0	2.817	2.817

Composizione dei ratei passivi:

	Descrizione	Importo
	Assicurazioni	1.500
Totale		1.500

Composizione dei risconti passivi:

	Descrizione	Importo
	Credito imposta investimenti	1.317
Totale		1.317

Nota integrativa, conto economico

INFORMAZIONI SUL CONTO ECONOMICO

Valore della produzione

VALORE DELLA PRODUZIONE

Suddivisione dei ricavi delle vendite e delle prestazioni per categoria di attività

Ricavi delle vendite e delle prestazioni - Ripartizione per categoria di attività

In relazione a quanto disposto dall'art. 2427, comma 1 numero 10 del codice civile viene esposta nei seguenti prospetti la ripartizione dei ricavi per categorie di attività:

Categoria di attività	Valore esercizio corrente
Prodotti	19.029.081
Ricavi per servizi energetici	10.329
Totale	19.039.410

Suddivisione dei ricavi delle vendite e delle prestazioni per area geografica

Ricavi delle vendite e delle prestazioni - Ripartizione per area geografica

In relazione a quanto disposto dall'art. 2427, comma 1 numero 10 del codice civile viene esposta nei seguenti prospetti la ripartizione dei ricavi per area geografica:

Area geografica	Valore esercizio corrente
Italia	13.929.584
Estero	5.109.826
Totale	19.039.410

Altri ricavi e proventi

Gli altri ricavi e proventi sono iscritti nel valore della produzione del conto economico per complessivi € 420.303 (€ 372.384 nel precedente esercizio).

La composizione delle singole voci è così costituita:

Contributi in conto esercizio

Di seguito si dà dettaglio dei contributi in conto esercizio conseguenti ai benefici disposti per far fronte all'emergenza Covid:

- Credito d'imposta sanificazione - Art. 64 Decreto Cura Italia (dl 18/2020) euro 14.323,00

Costi della produzione

COSTI DELLA PRODUZIONE

Spese per servizi

Le spese per servizi sono iscritte nei costi della produzione del conto economico per complessivi € 1.205.165 (€ 1.306.517 nel precedente esercizio).

Spese per godimento beni di terzi

Le spese per godimento beni di terzi sono iscritte nei costi della produzione del conto economico per complessivi € 98.842 (€ 107.913 nel precedente esercizio).

La composizione delle singole voci è così costituita:

	Valore esercizio precedente	Variazione	Valore esercizio corrente
Affitti e locazioni	107.913	-9.071	98.842
Totale	107.913	-9.071	98.842

Oneri diversi di gestione

Gli oneri diversi di gestione sono iscritti nei costi della produzione del conto economico per complessivi € 98.144 (€ 99.624 nel precedente esercizio).

Proventi e oneri finanziari

PROVENTI E ONERI FINANZIARI

Composizione dei proventi da partecipazione

Proventi da partecipazione

In relazione a quanto disposto dall'art. 2427, comma 1 numero 11 del codice civile, il seguente prospetto riporta i proventi da partecipazione diversi dai dividendi:

	Proventi diversi dai dividendi
Da imprese controllate	1.125.295
Totale	1.125.295

I Proventi da partecipazione si riferiscono al dividendo percepito dalla società Svizzera Optotec International SA. La società Optotec Spa applica una esenzione dello stesso, ai fini fiscali, nella misura del 95% ex art. 89, comma 2 del DPR n 917/86.

Ripartizione degli interessi e altri oneri finanziari per tipologia di debiti

Interessi e altri oneri finanziari - Ripartizione per tipologia di debiti

In relazione a quanto disposto dall'art. 2427, comma 1 numero 12 del codice civile viene esposta nel seguente prospetto la suddivisione della voce "interessi ed altri oneri finanziari":

	Interessi e altri oneri finanziari
Prestiti obbligazionari	5.477

Interessi e altri oneri finanziari	
Debiti verso banche	8.742
Altri	940
Totale	15.159

Utili e perdite su cambi

Qui di seguito vengono riportate le informazioni concernenti la suddivisione degli utili e delle perdite su cambi derivanti dalla valutazione di fine esercizio rispetto a quelli effettivamente realizzati:

	Parte valutativa	Parte realizzata	Totale
Utili su cambi	0	234.514	234.514
Perdite su cambi	0	162.750	162.750

Importo e natura dei singoli elementi di ricavo/costo di entità o incidenza eccezionali

RICAVI DI ENTITA' O INCIDENZA ECCEZIONALI

In relazione a quanto disposto dall'art. 2427, comma 1 numero 13 del codice civile, il seguente prospetto riporta i ricavi di entità o incidenza eccezionali: Non sono presenti.

COSTI DI ENTITA' O INCIDENZA ECCEZIONALI

In relazione a quanto disposto dall'art. 2427, comma 1 numero 13 del codice civile, il seguente prospetto riporta i costi di entità o incidenza eccezionali: Non sono presenti.

Imposte sul reddito d'esercizio, correnti, differite e anticipate

IMPOSTE SUL REDDITO D'ESERCIZIO, CORRENTI, DIFFERITE E ANTICIPATE

La composizione delle singole voci è così rappresentata:

	Imposte correnti	Imposte relative a esercizi precedenti	Imposte differite	Imposte anticipate	Proventi (oneri) da adesione al regime consolidato fiscale /trasparenza fiscale
IRES	530.768	0	0	60.000	
IRAP	59.333	0	0	0	
Totale	590.101	0	0	60.000	0

La società come si evince dalla tabella sopra riportata, ha accantonato, a titolo di imposte correnti € 530.768 per Ires e € 59.333 per Irap.

L'Irap 2020 è stata accantonata al netto dell'agevolazione, pari al 40% del I acconto da non versare, prevista dal Legislatore quale aiuto alle imprese per fronteggiare la Pandemia.

Come già evidenziato nella prima parte della nota integrativa la società a seguito di scissione è uscita dal consolidato fiscale a partire dall'esercizio chiuso al 31.12.2020.

Si precisa che le imposte differite contengono anche i riversamenti relativi alle rilevazioni iniziali del 'Fondo imposte differite' che hanno interessato direttamente il patrimonio netto.

I seguenti prospetti, redatti sulla base delle indicazioni suggerite dall'OIC 25, riportano le informazioni richieste dall'art. 2427, comma 1 numero 14, lett. a) e b) del codice civile.

In particolare contengono le informazioni sui valori di sintesi della movimentazione dell'esercizio della 'Fiscalità complessiva anticipata e differita', sulla composizione delle differenze temporanee deducibili che hanno originato 'Attività per imposte anticipate', sulla composizione delle differenze temporanee imponibili che hanno originato 'Passività per imposte differite' e l'informativa sull'utilizzo delle perdite fiscali. Sono inoltre specificate le differenze temporanee per le quali non è stata rilevata la fiscalità differita.

Rilevazione delle imposte differite e anticipate ed effetti conseguenti

	IRES	IRAP
A) Differenze temporanee		
Totale differenze temporanee deducibili	250.000	0
Totale differenze temporanee imponibili	0	0
Differenze temporanee nette	(250.000)	0
B) Effetti fiscali		
Fondo imposte differite (anticipate) a inizio esercizio	(44.472)	(7.227)
Imposte differite (anticipate) dell'esercizio	(15.528)	7.227
Fondo imposte differite (anticipate) a fine esercizio	(60.000)	0

Dettaglio delle differenze temporanee deducibili

Descrizione	Importo al termine dell'esercizio precedente	Variazione verificatasi nell'esercizio	Importo al termine dell'esercizio	Aliquota IRES	Effetto fiscale IRES	Aliquota IRAP	Effetto fiscale IRAP
	185.301	0	185.301	24,00%	44.472	0,00%	0
	185.301	0	185.301	0,00%	0	3,90%	7.227

Si forniscono inoltre le ulteriori seguenti informazioni:

Composizione e movimenti intervenuti nelle passività per imposte differite e nelle attività per imposte anticipate

Le tabelle sottostanti, distintamente per l'Ires e l'Irap, riepilogano i movimenti dell'esercizio, derivanti dagli incrementi per le differenze temporanee sorte nell'anno e dai decrementi per le differenze temporanee riversate delle voci "Fondo per imposte differite" e "Crediti per imposte anticipate".

	IRES	IRAP	TOTALE
1. Importo iniziale	0	0	0
2. Aumenti			
2.1. Imposte differite sorte nell'esercizio	0	0	0
2.2. Altri aumenti	0	0	0
3. Diminuzioni			
3.1. Imposte differite annullate nell'esercizio	0	0	0

3.2. Altre diminuzioni	0	0	0
4. Importo finale	0	0	0

Descrizione	IRES	IRES	IRAP	TOTALE
	da diff. tempor.	da perdite fiscali	da diff. tempor.	
1. Importo iniziale	44.472	0	7.227	51.699
2. Aumenti				
2.1. Imposte anticipate sorte nell'esercizio	0		0	0
2.2. Altri aumenti	0	0	0	0
3. Diminuzioni				
3.1. Imposte anticipate annullate nell'esercizio	0		0	0
3.2. Altre diminuzioni	44.472	0	7.227	51.699
4. Importo finale	0	0	0	0

Riconciliazione tra l'onere fiscale di bilancio e l'onere teorico

Conformemente alle indicazioni fornite dall'OIC, il seguente prospetto consente la riconciliazione tra l'onere fiscale di bilancio e l'onere teorico, distintamente per l'Ires e per l'Irap:

Descrizione	IRES	IRAP
Risultato prima delle imposte risultante da bilancio	2.938.563	
Crediti d'imposta su fondi comuni d'investimento	0	
Risultato prima delle imposte	2.938.563	
Valore della produzione al netto delle deduzioni		2.507.882
Onere fiscale teorico (aliquota base)	705.255	97.807
Differenze temporanee tassabili in esercizi successivi	0	0
Differenze temporanee deducibili in esercizi successivi	250.000	0
Rigiro differenze temporanee deducibili esercizi precedenti	0	0
Rigiro differenze temporanee tassabili esercizi precedenti	0	0
Differenze permanenti che non si riverseranno negli esercizi successivi	(977.031)	27.682
Imponibile fiscale	2.211.532	2.535.564
Utilizzo perdite fiscali pregresse	0	
Imponibile fiscale dopo utilizzo perdite pregresse	2.211.532	
Valore della produzione estera		0
Imponibile fiscale al netto valore produzione estera		2.535.564
Imposte correnti (aliquota base)	530.768	98.887
Abbattimenti per agevolazioni fiscali	0	0

Imposte correnti effettive	530.768	98.887
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Nota integrativa, altre informazioni

ALTRE INFORMAZIONI

Dati sull'occupazione

Dati sull'occupazione

Vengono di seguito riportate le informazioni concernenti il personale, ai sensi dell'art. 2427, comma 1 numero 15 del codice civile:

	Numero medio
Dirigenti	2
Quadri	4
Impiegati	19
Operai	26
Totale Dipendenti	51

Compensi, anticipazioni e crediti concessi ad amministratori e sindaci e impegni assunti per loro conto

Compensi agli organi sociali

Vengono di seguito riportate le informazioni concernenti gli amministratori ed i sindaci, ai sensi dell'art. 2427, comma 1 numero 16 del codice civile:

	Sindaci
Compensi	13.377

Per l'esercizio chiuso al 31/12/2020 agli amministratori non è stato erogato alcun compenso

Categorie di azioni emesse dalla società

Categorie di azioni emesse dalla società

Le informazioni richieste dall'articolo 2427, comma 1 numero 17 del codice civile relativamente ai dati sulle azioni che compongono il capitale della società, al numero ed al valore nominale delle azioni sottoscritte nell'esercizio sono desumibili dai prospetti seguenti:

numero azioni	valore nominale	capitale sociale
707400	5,16	3.650.184,00

Impegni, garanzie e passività potenziali non risultanti dallo stato patrimoniale

Impegni, garanzie e passività potenziali non risultanti dallo stato patrimoniale

In relazione a quanto disposto dall'art. 2427, comma 1 numero 9 del codice civile, il seguente prospetto riporta impegni, garanzie e passività potenziali non risultanti dallo stato patrimoniale:

Fideiussioni

Vengono di seguito specificati i beneficiari delle garanzie rilasciate dalla Società:

Verso Banche e Soc. assicurativa per un totale di Euro 1.649.596.

Informazioni sui patrimoni e i finanziamenti destinati ad uno specifico affare

Informazioni su patrimoni e finanziamenti destinati ad uno specifico affare

Vengono di seguito riportate le informazioni concernenti i patrimoni destinati ad uno specifico affare, ai sensi dell'art. 2447 bis del codice civile: Non sono presenti.

Informazioni sulle operazioni con parti correlate

Operazioni con parti correlate

Vengono di seguito riportate le informazioni concernenti le operazioni realizzate con parti correlate, ai sensi dell'art. 2427, comma 1 numero 22-bis del codice civile: Non sono presenti.

Informazioni sugli accordi non risultanti dallo stato patrimoniale

Accordi non risultanti dallo stato patrimoniale

Vengono di seguito riportate le informazioni concernenti la natura e l'obiettivo economico degli accordi non risultanti dallo stato patrimoniale, ai sensi dell'art. 2427, comma 1 numero 22-ter del codice civile: Nessun accordo presente.

Informazioni sui fatti di rilievo avvenuti dopo la chiusura dell'esercizio

Fatti di rilievo avvenuti dopo la chiusura dell'esercizio

Per i fatti di rilievo avvenuti dopo la chiusura dell'esercizio si rimanda a quanto specificato nella Relazione sulla gestione.

Imprese che redigono il bilancio dell'insieme più grande/più piccolo di imprese di cui si fa parte in quanto controllata

Informazioni sulle società o enti che esercitano attività di direzione e coordinamento - art. 2497 bis del Codice Civile

La società non è soggetta a direzione o coordinamento da parte di società o enti

Informazioni relative agli strumenti finanziari derivati ex art. 2427-bis del Codice Civile

Strumenti finanziari derivati

Per ciascuna categoria di strumenti finanziari derivati, vengono di seguito riportate le informazioni, ai sensi dell'art. 2427 bis, comma 1, punto 1 del codice civile: Non presenti.

Informazioni ex art. 1, comma 125, della legge 4 agosto 2017 n. 124**Informazioni ex art. 1 comma 125, della Legge 4 agosto 2017 n. 124**

Con riferimento all'art. 1 comma 125 della Legge 124/2017, la società non ha ricevuto alcuna sovvenzione.

Proposta di destinazione degli utili o di copertura delle perdite**Destinazione del risultato d'esercizio**

Ai sensi dell'art. 2427, comma 1 numero 22-septies del codice civile, si propone la destinazione del risultato d'esercizio come segue:.

Utile d'esercizio al 31/12/2020	Euro	2.408.462
a Riserva legale	Euro	120.423
a Riserva straordinaria	Euro	2.288.039
a Dividendo	Euro	0

Dichiarazione di conformità del bilancio

Dichiarazione di conformità

Il presente bilancio, composto da Stato patrimoniale, Conto economico e Nota integrativa, rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria nonché il risultato economico dell'esercizio e corrisponde alle risultanze delle scritture contabili regolarmente tenute

Copia corrispondente ai documenti conservati presso la società.

L'Organo amministrativo



PT Sterlite Technologies Indonesia

Financial Statements for FY 2020-21

PT Sterlite Technologies Indonesia

LAPORAN KEUANGAN / *FINANCIAL STATEMENTS*

TAHUN YANG BERAKHIR 31 DESEMBER 2020 DAN 2019 (TIDAK DIAUDIT)

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (UNAUDITED)

DAN / *AND*

LAPORAN AUDITOR INDEPENDEN

INDEPENDENT AUDITORS' REPORT

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<i>Statement of Profit or Loss and Other Comprehensive Income</i>
<i>Statement of Change in Equity</i>
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<i>Notes to The Financial Statements</i>

**SURAT PERNYATAAN DIREKSI TENTANG
TANGGUNG JAWAB ATAS LAPORAN KEUANGAN
31 DESEMBER 2020 DAN 2019 (TIDAK DIAUDIT)
DAN LAPORAN KEUANGAN UNTUK TAHUN-
TAHUN YANG BERAKHIR PADA TANGGAL
31 DESEMBER 2020 DAN 2019 (TIDAK DIAUDIT)**

**BOARD OF DIRECTORS' STATEMENT LETTER
REGARDING THE RESPONSIBILITY FOR THE
FINANCIAL STATEMENT AS OF DECEMBER 31,
2020 AND 2019 (UNAUDITED) AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED
DECEMBER 31, 2020 AND 2019 (UNAUDITED)**

PT Sterlite Technologies Indonesia

Kami yang bertanda tangan dibawah ini :

We are the undersigned :

Nama	:	Ankit Agarwal	:	Name
Alamat kantor	:	Jalan Patih Jelantik, Istana Kuta Galeria Blok BW2, No. 3A, Lingkungan Abian Base, Kuta, Kab. Badung, Bali	:	Office address
Alamat domisili	:	India, 117, Koregaon Park South Main Road, Lane-4, Maharashtra India	:	Domicile address
Jabatan	:	Direktur Utama/ <i>President Director</i>	:	Position

Menyatakan bahwa

State that:

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan PT Sterlite Technologies Indonesia;
 2. Laporan keuangan PT Sterlite Technologies Indonesia telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
 3. a. Semua informasi dalam laporan keuangan PT Sterlite Technologies Indonesia telah dimuat secara lengkap dan benar;
b. Laporan keuangan PT Sterlite Technologies Indonesia tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;
 4. Kami bertanggungjawab atas sistem pengendalian intern dalam PT Sterlite Technologies Indonesia
1. *We are responsible for the preparation and presentation of the financial statements of PT Sterlite Technologies Indonesia;*
 2. *The financial statements of PT Sterlite Technologies Indonesia have been prepared and presented in accordance with Indonesian Financial Accounting Standards;*
 3. a. *All information contained in the financial statements of PT Sterlite Technologies Indonesia its complete and correct;*
b. *The financial statements of PT Sterlite Technologies Indonesia do not constaint any incorrect information or material fact, not do they omit information of material fact;*
 4. *We are responsible for PT Sterlite Technologies Indonesia internal control system.*

Demikianlah pernyataan ini dibuat dengan sebenarnya.

This statement letter is made truthfully.

Jakarta, 16 April 2021/ April 16, 2021


Ankit Agarwal
Direktur Utama/ *President Director*



ARMANDIAS

Kantor Akuntan Publik Terdaftar

Kantor (Office)

Ujung Menteng Business Centre Blok B - 5
Jalan Raya Bekasi Km. 25 Cakung
Jakarta Timur 13960
Indonesia

Telp (62-21) 4608074
0813 8840 4411

Email : dias_arman@yahoo.com
indira_imelda84@yahoo.com

LAPORAN AUDITOR INDEPENDEN

NO. : 00070/2.0359/AU.2/05/0943/0/IV/2021

Pemegang Saham, Dewan Komisaris
Dan Direksi

PT STERLITE TECHNOLOGIES INDONESIA

Kami telah mengaudit laporan keuangan **PT Sterlite Technologies Indonesia** yang terdiri atas laporan posisi keuangan tanggal 31 Desember 2020 serta laporan laba rugi dan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan tersebut berdasarkan audit kami. Kami melaksanakan audit berdasarkan Standar Audit kami yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan tersebut bebas dari kesalahan penyajian material.

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal entitas.

INDEPENDENT AUDITORS' REPORT

NO. : 00070/2.0359/AU.2/05/0943/0/IV/2021

The Stockholders, Boards of Commissioner
And Director

PT STERLITE TECHNOLOGIES INDONESIA

We have audited the accompanying financial statements of **PT Sterlite Technologies Indonesia**, which comprise the financial position as of December 31, 2020 and the statement of profit or loss and other comprehensive, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesia Financial Accounting Standards in Indonesia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Registered Public Accounting Firm

Decree of the Finance Minister of the Republic of Indonesia No. 1012/KM.I/2017 Registered Public Accountant Number AP: 0943



ARMANDIAS

Kantor Akuntan Publik Terdaftar

Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, laporan keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, laporan posisi keuangan **PT Sterlite Technologies Indonesia** tanggal 31 Desember 2020 serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Hal lain

Laporan keuangan **PT Sterlite Technologies Indonesia** yang berakhir tanggal 31 Desember 2019 dan untuk tahun yang berakhir pada tanggal tersebut, yang disajikan sebagai angka-angka koresponding terhadap laporan keuangan tanggal 31 Desember 2020 dan untuk yang berakhir pada tanggal tersebut, tidak diaudit oleh auditor independen.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opini

In our opinion, the accompanying financial statements present fairly, in all material respect. The financial position of **PT Sterlite Technologies Indonesia** as of December 31, 2020 and its financial performance and cash flows for the year ended, in accordance with Indonesia Financial Accounting Standards.

Other matter

he financial statements of **PT Sterlite Technologies Indonesia** ended December 31, 2019 and for the year then ended, which are presented as correspondent figures for the financial statements as of December 31, 2020 and for those ended on that date, were not audited by an independent auditor.



Drs. Armandias, Ak

No. Register Akuntan Publik AP: 0943

Registered Public Accountant Number AP: 0943

Jakarta, 16 April 2021/ Jakarta, April 16, 2021

PT Sterlite Technologies Indonesia

LAPORAN POSISI KEUANGAN

31 DESEMBER 2020 DAN 2019 (TIDAK DIAUDIT)

(Dinyatakan dalam Rupiah, kecuali dinyatakan lain)

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020 AND 2019 (UNAUDITED)

(Expressed in Rupiah, unless otherwise stated)

	2020	Catatan/ Notes	2019	
ASET				ASSETS
ASET LANCAR				CURRENT ASSETS
Kas dan setara kas	1.376.737.214	3	-	Cash and cash equivalents
Piutang usaha				Accounts receivable
- Pihak ketiga	3.223.049.110	4	-	Third parties -
Persediaan	3.512.382.750	5	-	Inventories
Piutang lain-lain				Other receivables
- Pihak berelasi	6.800.140.000	6	11.000.000.000	Related parties -
Pajak dibayar dimuka	308.867.798	11a	-	Prepaid taxes
JUMLAH ASET LANCAR	15.221.176.872		11.000.000.000	TOTAL CURRENT ASSETS
ASET TIDAK LANCAR				NON-CURRENT ASSETS
Beban dibayar dimuka	60.209.953	6	-	Prepaid Expenses
JUMLAH ASET	15.281.386.826		11.000.000.000	TOTAL ASSETS
LIABILITAS DAN EKUITAS				LIABILITIES AND EQUITY
LIABILITAS				LIABILITIES
Liabilitas Jangka Pendek				Current Liabilities
Utang usaha				Accounts payables
- Pihak ketiga	4.094.613.840	8	-	Third parties -
Uang muka pelanggan	138.600.000	9	-	Advance from customers
Biaya yang masih harus dibayar	29.610.000	10	-	Accrued expenses
Jumlah Liabilitas Jangka Pendek	4.262.823.840		-	Total Current Liabilities
Liabilitas Jangka Panjang	-		-	Non Current Liabilities
JUMLAH LIABILITAS	4.262.823.840		-	TOTAL LIABILITIES
EKUITAS				EQUITY
Modal saham - nilai nominal Rp 10.000.000,- (jumlah penuh) per saham				Share capital - nominal value Rp 10.000.000,- (full amount) per share
Modal dasar - 1.100 saham				Authorized - 1.100 shares
Ditempatkan dan disetor penuh 1.100 saham	11.000.000.000	12	11.000.000.000	subscribed and paid 1.100 shares
Saldo laba	18.562.986		-	Retained earnings
JUMLAH EKUITAS	11.018.562.986		11.000.000.000	TOTAL EQUITY
JUMLAH LIABILITAS DAN EKUITAS	15.281.386.826		11.000.000.000	TOTAL LIABILITIES AND EQUITY

Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements.

PT Sterlite Technologies Indonesia

LAPORAN LABA RUGI DAN PENGHASILAN KOMPREHENSIF
LAIN

UNTUK TAHUN YANG BERAKHIR PADA TANGGAL
31 DESEMBER 2020 DAN 2019 (TIDAK DIAUDIT)

(Dinyatakan dalam Rupiah, kecuali dinyatakan lain)

STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

FOR THE YEAR ENDED
DECEMBER 31, 2020 AND 2019 (UNAUDITED)

(Expressed in Rupiah, unless otherwise stated)

	Catatan / Notes	2020	2019	
Penjualan Bersih	13	4.017.110.100	-	Net Sales
Harga Pokok Penjualan	14	(3.615.399.090)	-	Cost of sales
Laba Penjualan		401.711.010	-	Gross Profit on Sales
Beban Operasional	15	(387.282.157)	-	Operating Expenses
Laba Usaha		14.428.853	-	Operating Profit
Penghasilan (Beban) Lain-Lain				Other Income (Expenses)
- Pendapatan lain-lain		8.158.848	-	Other income -
- Beban lain-lain		(1.730.414)	-	Other expenses -
Laba Sebelum Pajak Penghasilan		20.857.287	-	Profit Before Income Tax
Pajak Penghasilan	11b	(2.294.302)	-	Income Tax
Laba Setelah Pajak Penghasilan		18.562.986	-	Profit After Income Tax
Penghasilan Komprehensif Lain		-	-	Other Comprehensive Income
Jumlah Penghasilan Komprehensif- Tahun Berjalan		18.562.986	-	Total Comprehensive Income- For The Year

Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan secara

The accompanying notes to the financial statements form an integral part of these financial statements.

PT Sterlite Technologies Indonesia

LAPORAN PERUBAHAN EKUITAS

UNTUK TAHUN YANG BERAKHIR PADA TANGGAL
31 DESEMBER 2020 DAN 2019 (TIDAK DIAUDIT)

(Dinyatakan dalam Rupiah, kecuali dinyatakan lain)

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED
DECEMBER 31, 2020 AND 2019 (UNAUDITED)

(Expressed in Rupiah, unless otherwise stated)

	Modal saham/ <i>Share capital</i>	Tambah modal disetor/ <i>Additional paid in capital</i>	Saldo laba / <i>Retained earnings</i>	Jumlah Ekuitas / <i>Shareholder's equity</i>	
Saldo per 31 Desember 2018	11.000.000.000	-	-	11.000.000.000	Balance as of December 31, 2018
Laba tahun berjalan	-	-	-	-	<i>Profit for the year</i>
Saldo per 31 Desember 2019	11.000.000.000	-	-	11.000.000.000	Balance as of December 31, 2019
Laba tahun berjalan	-	-	18.562.986	18.562.986	<i>Profit for the year</i>
Saldo per 31 Desember 2020	11.000.000.000	-	18.562.986	11.018.562.986	Balance as of December 31, 2020

Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements.

PT Sterlite Technologies Indonesia

LAPORAN ARUS KAS

UNTUK TAHUN YANG BERAKHIR PADA TANGGAL
31 DESEMBER 2020 DAN 2019 (TIDAK DIAUDIT)

(Dinyatakan dalam Rupiah, kecuali dinyatakan lain)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED
DECEMBER 31, 2020 AND 2019 (UNAUDITED)

(Expressed in Rupiah, unless otherwise stated)

	2020	2019	
			CASH FLOWS FROM OPERATING
ARUS KAS DARI AKTIVITAS OPERASI			ACTIVITIES
Laba bersih	18.562.986	-	Net income
Perubahan modal kerja:			Changes in working capital:
- Piutang usaha	(3.223.049.110)	-	Accounts receivable -
- Persediaan	(3.512.382.750)	-	Inventories -
- Uang muka pajak	(308.867.798)	-	Other receivables -
- Beban dibayar dimuka	(60.209.953)	-	Prepaid taxes -
- Utang usaha	4.094.613.840	-	Accounts payables -
- Uang muka pelanggan	138.600.000	-	Advance from customers -
- Biaya yang masih harus dibayar	29.610.000	-	Accrued expenses -
- Utang pajak	-	-	Tax Payables -
Kas bersih dari aktivitas operasi	(2.823.122.786)	-	Net cash provided operating activities
ARUS KAS DARI AKTIVITAS INVESTASI	-	-	CASH FLOWS FROM INVESTING ACTIVITIES
ARUS KAS DARI AKTIVITAS PENDANAAN			CASH FLOWS FROM FINANCING ACTIVITIES
Setoran modal	4.199.860.000	-	Paid-in capital
Kas bersih diperoleh dari aktivitas pendanaan	4.199.860.000	-	Net cash provided by financing activities
KENAIKAN BERSIH KAS DAN SETARA KAS	1.376.737.214	-	NET INCREASE IN CASH AND CASH EQUIVALENTS
KAS DAN SETARA KAS PADA AWAL TAHUN	-	-	CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR
KAS DAN SETARA KAS PADA AKHIR TAHUN	1.376.737.214	-	CASH AND CASH EQUIVALENTS AT END OF YEAR

Catatan atas laporan keuangan merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan.

The accompanying notes to the financial statements form an integral part of these financial statements.

PT Sterlite Technologies Indonesia

CATATAN ATAS LAPORAN KEUANGAN

UNTUK TAHUN YANG BERAKHIR PADA TANGGAL
31 DESEMBER 2020 DAN 2019 (TIDAK DIAUDIT)

(Dinyatakan dalam satuan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2020 AND 2019 (UNAUDITED)

(Expressed in Rupiah, unless otherwise stated)

1. UMUM

a. Pendirian dan Informasi Lainnya

PT Sterlite Technologies Indonesia ("Perusahaan") didirikan berdasarkan Akta No. 10 yang dibuat oleh Notaris Dita Okta Sesia, S.H., M.Kn tanggal 12 Januari 2018 dan telah disahkan oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia No. AHU-0001652.AH.01.01.Tahun 2018 tanggal 16 Januari 2018.

Anggaran dasar Perusahaan telah mengalami beberapa kali perubahan, yang terakhir dengan akta No. 20 yang dibuat dihadapan Notaris Dita Okta Sesia, S.H., M.Kn tanggal 28 September 2020 dan telah diterima dan dicatat oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dengan surat No. AHU-0165285.AH.01.11.TAHUN 2020 tanggal 1 Oktober 2020.

Berdasarkan Anggaran Dasar Perusahaan, kegiatan usaha Perusahaan adalah perdagangan peralatan telekomunikasi. Perusahaan berdomisili di Jalan Patih Jelantik, Istana Kuta Galeria Blok BW2, No. 3A, Lingkungan Abian Base, Kuta, Kab. Badung, Bali.

b. Susunan Dewan Komisaris, Direksi dan Karyawan

Susunan Komisaris dan Direksi Perusahaan, pada tanggal 31 Desember 2020 dan 2019 adalah sebagai berikut:

	<u>2020</u>
<u>Dewan Komisaris</u>	
Komisaris	Mohammad Fitrianto
<u>Direksi</u>	
Direktur utama	Ankit Agarwal
Direktur	Daris Salim

Sampai dengan 31 Desember 2020 Perusahaan tidak memiliki karyawan tetap.

1. GENERAL

a. Establishment and Other Information

PT Sterlite Technologies Indonesia ("The Company") was established base on Notarial Deed No. 10 of Dita Okta Sesia, S.H., M.Kn dated January 12, 2018 and has been approved by the Ministry of Law and Human Right of the Republic Indonesia No. AHU-0001652.AH.01.01.Tahun 2018 dated January 16, 2018.

The Company's Articles of Association has been amended several times most recently by Deed No. 20 of Notaris Dita Okta Sesia, S.H., M.Kn, dated September 28, 2020, and has been received and recorded by Minister of Law and Human Rights of the Republic of Indonesia in his Decision Letter No. AHU-0165285.AH.01.11.TAHUN 2020 dated October 1, 2020.

Based on the Company's Articles of Association, the business activities of the Company are trading of telecom equipment. The Company is domiciled in Jalan Patih Jelantik, Istana Kuta Galeria Blok BW2, No. 3A, Lingkungan Abian Base, Kuta, Kab. Badung, Bali.

b. Board of Commissioners, Directors and Employee

The composition of Commissioner and Directors on December 31, 2020 and 2019, are as follows:

<u>2019</u>	<u>Board of Commissioner</u>
Chilmiati	Commissioner
	<u>Directors</u>
Ankit Agarwal	President Director
Nur Zainuddin	Director

As of December 31, 2020 the company has no permanent employees.

2. IKHTISAR KEBIJAKAN AKUNTANSI

a. Pernyataan kepatuhan

Laporan keuangan disusun sesuai dengan Standar Akuntansi Keuangan di Indonesia.

2. SUMMARY OF ACCOUNTING POLICIES

a. Statement of compliance

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards.

PT Sterlite Technologies Indonesia

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2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

b. Dasar penyajian laporan keuangan

Laporan keuangan ini telah disusun sesuai dengan Standar Akuntansi Keuangan (SAK) yang dikeluarkan oleh Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia.

Dasar penyusunan laporan keuangan menggunakan konsep akrual, kecuali untuk laporan arus kas dan konsep biaya perolehan (*historical cost concept*).

Laporan arus kas disajikan dengan metode langsung dengan mengelompokkan arus kas ke dalam aktivitas operasi, investasi dan pendanaan.

Mata uang pelaporan yang digunakan dalam penyusunan laporan keuangan ini adalah Rupiah (Rp).

c. Transaksi dengan pihak berelasi

Perusahaan melakukan transaksi dengan pihak-pihak yang berelasi sebagaimana didefinisikan dalam SAK No. 7 mengenai "Pengungkapan Pihak-pihak Berelasi".

Meskipun transaksi ini dilakukan dengan prinsip *arm's-length* adalah mungkin persyaratan transaksi tersebut di atas tidak sama dengan transaksi lain yang dilakukan dengan pihak-pihak yang tidak berelasi. Seluruh transaksi dan saldo yang material dengan pihak-pihak yang berelasi diungkapkan dalam catatan atas laporan keuangan.

d. Transaksi dan saldo mata uang asing

Transaksi dalam mata uang asing dijabarkan ke mata uang Rupiah dengan menggunakan kurs yang berlaku pada tanggal transaksi. Pada akhir periode pelaporan, aset dan kewajiban moneter dalam mata uang asing dijabarkan dengan kurs tengah Bank Indonesia yang berlaku pada akhir periode pelaporan.

Keuntungan dan kerugian dari selisih kurs yang timbul dari transaksi dalam mata uang asing dan penjabaran aset dan kewajiban moneter dalam mata uang asing, diakui pada laporan laba rugi.

Kurs tengah Bank Indonesia per 31 Desember 2020 dan 2019 adalah:

	31 Desember 2020/ <u>December 31, 2020</u>		31 Desember 2019/ <u>December 31, 2019</u>		
USD	Rp	14.105,00	Rp	13.901,00	USD

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

b. Basis of presentation of the financial statements

These financial statements have been prepared in accordance with Statement of Financial Accounting Standard (SAK) issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants.

The preparation of the financial statements used the accrual basic concept, except for the statements of cash flows and the historical cost concept.

The statements of cash flows are prepared using the direct method by grouping cash flows into operational, investing, and financing activities.

The reporting currency used in the preparation of these financial statements is the Rupiah (Rp).

c. Transaction with related parties

Company enters into transactions with related parties as defined in SAK No. 7 regarding "Related Party Disclosures".

Although the transactions are made as if on an arm's-length basis, it is possible that the terms of these transactions are not the same as those that would result from transactions between wholly unrelated parties. All significant transactions and balances with related parties are disclosed in the notes to the financial statements.

d. Transaction and balances in foreign currency

Transactions denominated in a foreign currency are converted into Rupiah at the exchange rate prevailing at the date of the transaction. At the end of reporting period, monetary assets and liabilities in foreign currencies are translated at the Bank Indonesia currency rate prevailing at that date.

Exchange gains and losses arising on transactions in foreign currencies and on the translation of foreign currency monetary assets and liabilities are recognised in the statement of income.

Bank Indonesia currency rates on December 31, 2020 and 2019 as follows:

	31 Desember 2020/ <u>December 31, 2020</u>		31 Desember 2019/ <u>December 31, 2019</u>		
USD	Rp	14.105,00	Rp	13.901,00	USD

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2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

e. Aset dan kewajiban keuangan

1. Aset keuangan

Pengakuan awal

Perusahaan mengklasifikasikan aset keuangannya dalam kategori (i) aset keuangan yang diukur dengan biaya amortisasi, (ii) aset keuangan yang diukur dengan nilai wajar melalui laba rugi atau melalui penghasilan komprehensif lain. Klasifikasi ini tergantung dari tujuan perolehan aset keuangan tersebut. Manajemen menentukan klasifikasi aset keuangan tersebut pada saat awal pengakuannya.

Semua aset keuangan pada awalnya diakui sebesar nilai wajarnya ditambah dengan biaya-biaya transaksi, kecuali aset keuangan dicatat pada nilai wajar melalui laporan laba rugi .

Pembelian atau penjualan aset keuangan yang memerlukan penyerahan aset dalam kurun waktu yang ditetapkan oleh peraturan atau kebiasaan yang berlaku di pasar (perdagangan yang lazim) diakui pada tanggal penyelesaian, yaitu pada tanggal aset tersebut diserahkan kepada atau oleh Perusahaan.

2. Kewajiban keuangan

Pengakuan awal

Liabilitas keuangan dalam lingkup PSAK 71 diklasifikasikan sebagai berikut: 1. Liabilitas keuangan yang diukur dengan biaya diamortisasi. 2. Liabilitas keuangan yang diukur dengan nilai wajar melalui laba rugi atau melalui penghasilan komprehensif lain.

Perusahaan menentukan klasifikasi liabilitas keuangan mereka pada saat pengakuan awal. Perusahaan hanya memiliki liabilitas keuangan yang diukur dengan biaya diamortisasi.

Seluruh liabilitas keuangan diakui pada awalnya sebesar nilai wajar dan, dalam hal pinjaman dan utang, termasuk biaya transaksi yang dapat diatribusikan secara langsung.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Financial assets and liabilities

1. Financial assets

Beginning recognition

The Company classifies its financial assets in the following categories of (i) financial assets at amortized cost (ii) financial assets at Fair Value Through Profit and Loss (FVTPL) or Other Comprehensive Income (FVOCI). The classification depends on the purpose for which the financials assets were acquired. Management determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets which are recorded at fair value through profit or loss.

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 recognized on settlement date, i.e. the date that an asset is delivered to or by the Company.

2. Financial liabilities

Beginning recognition

Financial liabilities within the scope of PSAK 71 are classified as follows: 1. Financial liabilities at amortized cost. 2. Financial liabilities at FVTPL or FVOCI.

The Company determines the classification of its financial liabilities at initial recognition. The Company only has financial liabilities at amortized cost.

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

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2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

e. Aset dan kewajiban keuangan (lanjutan)

3. Pengukuran setelah pengakuan awal

Pengukuran aset keuangan setelah pengakuan awal tergantung pada klasifikasinya sebagai berikut:

Aset keuangan yang diukur dengan biaya diamortisasi

Aset keuangan yang diukur dengan biaya diamortisasi selanjutnya diukur dengan menggunakan metode suku bunga efektif (Effective Interest Rate) ("EIR"), setelah dikurangi dengan penurunan nilai. Biaya perolehan yang diamortisasi dihitung dengan memperhitungkan diskonto atau premi atas biaya akuisisi atau biaya yang merupakan bagian integral dari EIR tersebut. Amortisasi EIR dicatat dalam laporan laba rugi. Kerugian yang timbul dari penurunan nilai juga diakui pada laporan laba rugi.

Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi

Aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi selanjutnya disajikan dalam laporan posisi keuangan sebesar nilai wajar, dengan perubahan nilai wajar yang diakui dalam laporan laba rugi.

Pengukuran liabilitas keuangan tergantung pada klasifikasinya sebagai berikut:

Liabilitas keuangan yang diukur dengan biaya

Liabilitas keuangan yang diukur pada biaya amortisasi (misalnya pinjaman dan utang yang dikenakan bunga) selanjutnya diukur dengan menggunakan metode EIR. Amortisasi EIR termasuk di dalam biaya keuangan dalam laporan laba rugi.

4. Pengakuan

Pada saat pengakuan awal, aset atau kewajiban keuangan diukur pada nilai wajar, kecuali aset dan kewajiban keuangan yang diukur pada nilai wajar melalui laporan laba rugi, ditambah atau dikurangi dengan biaya transaksi yang dapat diatribusikan secara langsung atas perolehan aset keuangan atau penerbitan kewajiban keuangan.

Pengukuran aset dan kewajiban keuangan setelah pengakuan awal tergantung pada klasifikasi aset dan kewajiban keuangan tersebut.

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2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Financial assets and liabilities (continued)

3. Measurement after beginning recognition

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortized cost

Financial assets at amortized cost are subsequently measured using the Effective Interest Rate ("EIR") method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition fees or costs that are an integral part of the EIR. The EIR amortization is included in the profit or loss. The losses arising from impairment are also recognized in the profit or loss.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are subsequently carried in the statement of financial position at fair value, with changes in fair value recognized in the profit or loss.

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortized cost

Financial liabilities at amortized cost (e.g interest-bearing loans and borrowings) are subsequently measured using the EIR method. The EIR amortization is included in finance costs in the profit or loss.

4. Recognition

At initial recognition, financial assets or liabilities are measured at fair value, except for financial assets and liabilities that measured at fair value through profit and loss, plus or minus the transaction costs that are directly attributable to the acquisition of financial assets or issuance of financial liabilities.

The subsequent measurement of financial assets and liabilities depends on the classification of financial assets and liabilities.

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2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

e. Aset dan kewajiban keuangan (lanjutan)

5. Pengukuran nilai wajar

Nilai wajar adalah nilai dimana suatu aset dapat dipertukarkan, atau suatu kewajiban diselesaikan antara pihak yang memahami dan berkeinginan untuk melaksanakan transaksi wajar (*arm's length transaction*) pada tanggal pengukuran.

Jika tersedia, Perusahaan mengukur nilai wajar instrumen keuangan dengan menggunakan harga kuotasi di pasar aktif untuk instrumen tersebut. Suatu pasar dianggap aktif jika harga kuotasi sewaktu waktu dan secara berkala tersedia dan mencerminkan transaksi pasar yang aktual dan teratur dalam suatu transaksi yang wajar.

Jika pasar suatu instrumen keuangan tidak aktif, Perusahaan menentukan nilai wajar dengan menggunakan teknik penilaian mencakup penggunaan transaksi pasar terkini yang dilakukan secara wajar oleh pihak-pihak yang memahami, berkeinginan, dan jika tersedia, referensi atas nilai wajar terkini dari instrumen lain yang secara substansial sama, penggunaan analisa arus kas yang didiskonto dan penggunaan model penetapan harga opsi (*option pricing model*).

6. Pengukuran biaya perolehan diamortisasi

Biaya perolehan diamortisasi dari aset dan kewajiban keuangan adalah jumlah aset atau kewajiban keuangan yang diukur pada saat pengakuan awal dikurangi pembayaran pokok, ditambah atau dikurangi dengan amortisasi kumulatif dengan menggunakan metode suku bunga efektif yang dihitung dari selisih antara nilai awal dan nilai jatuh temponya, dan dikurangi penyisihan kerugian penurunan nilai.

7. Penurunan nilai dari aset keuangan

Pada setiap periode pelaporan, Perusahaan menilai apakah risiko kredit dari instrumen keuangan telah meningkat secara signifikan sejak pengakuan awal. Ketika melakukan penilaian, Perusahaan menggunakan perubahan atas risiko gagal bayar yang terjadi sepanjang perkiraan usia instrumen keuangan daripada perubahan atas jumlah kerugian kredit ekspektasian.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Financial assets and liabilities (continued)

5. Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability is settled between knowledgeable, willing parties in an arm's length transactions on the date of measurement.

When available, the Company measures the fair value of an instrument by using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and reflect actual and regularly occurred market transactions on an arm's length basis.

If the market of the financial instrument is inactive, the Company determines fair value by using valuation techniques including the use of recent market transactions conducted properly by knowledgeable, willing parties, and if available, reference to the current fair value of another instrument which is substantially the same, discounted cash flow analysis and option pricing model.

6. Amortized cost measurement

Amortized cost of financial assets or liabilities is the amount at which the financial assets or liabilities are measured at initial recognition, minus principal payments, plus or minus the cumulative amortization by using the effective interest rate method, calculated from the difference between the initial amount and maturity amount, minus any reduction for impairment.

7. Impairment of financial assets

At each reporting date, the Company assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Company use the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses.

2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

e. Aset dan kewajiban keuangan (lanjutan)

7. Penurunan nilai dari aset keuangan (lanjutan)

Dalam melakukan penilaian, Perusahaan membandingkan antara risiko gagal bayar yang terjadi atas instrumen keuangan pada saat periode pelaporan dengan risiko gagal bayar yang terjadi atas instrumen keuangan pada saat pengakuan awal dan mempertimbangkan kewajaran serta ketersediaan informasi, yang tersedia tanpa biaya atau usaha pada saat tanggal pelaporan terkait dengan kejadian masa lalu, kondisi terkini dan perkiraan atas kondisi ekonomi di masa depan, yang mengindikasikan kenaikan risiko kredit sejak pengakuan awal.

Perusahaan menerapkan metode yang disederhanakan untuk mengukur kerugian kredit ekspektasian tersebut terhadap piutang usaha dan aset kontrak tanpa komponen pendanaan yang signifikan.

8. Penghentian pengakuan

Perusahaan menghentikan pengakuan aset keuangan pada saat hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut kadaluarsa atau Perusahaan mentransfer seluruh hak untuk menerima arus kas kontraktual dari aset keuangan dalam transaksi dimana Perusahaan secara substansial telah mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan yang ditransfer. Setiap hak atau kewajiban atas aset keuangan yang ditransfer yang timbul atau yang masih dimiliki oleh Perusahaan diakui sebagai aset atau kewajiban secara terpisah.

Perusahaan menghentikan pengakuan kewajiban keuangan pada saat kewajiban yang ditetapkan dalam kontrak dilepaskan atau dibatalkan atau kadaluarsa.

Dalam transaksi dimana Perusahaan secara substansial tidak memiliki atau tidak mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan, Perusahaan menghentikan pengakuan aset tersebut jika Perusahaan tidak lagi memiliki pengendalian atas aset tersebut. Hak dan kewajiban yang timbul atau yang masih dimiliki dalam transfer tersebut diakui secara terpisah sebagai aset atau kewajiban. Dalam transfer dimana pengendalian atas aset masih dimiliki, Perusahaan tetap mengakui aset yang ditransfer tersebut sebesar keterlibatan yang berkelanjutan, dimana tingkat keberlanjutan Perusahaan dalam aset yang ditransfer adalah sebesar perubahan nilai aset yang ditransfer.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Financial assets and liabilities (continued)

7. Impairment of financial assets (continued)

To make that assessment, the Company compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions, that is indicative of significant increases in credit risk since initial recognition.

The Company applied a simplified approach to measure such expected credit loss for trade receivables and contract assets without significant financing component.

8. Derecognition

The Company derecognizes financial assets when the contractual rights to the cash flows arising from financial assets are expired or the Company transfers all rights to receive contractual cash flows from financial assets in a transaction where the Company has transferred substantially all the risks and rewards of ownership of transferred financial assets. Any rights or obligations on the transferred financial assets that arise or are still owned by the Company are recognized as assets or liabilities separately.

The Company derecognizes financial liabilities when the obligation which is specified in the contract is released or canceled or expired.

In transactions where the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, the Company derecognizes the asset if it does not retain control over the assets. The rights and obligations that retained in the transfer are recognized separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Company continues to recognize the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

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2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

e. Aset dan kewajiban keuangan (lanjutan)

9. Saling hapus

Aset dan kewajiban keuangan saling hapus dan nilai bersih dilaporkan dalam neraca jika, dan hanya jika, ada hak hukum saat ini yang dilaksanakan untuk mengimbangi jumlah yang diakui dan ada niat untuk menyelesaikan secara bersih, atau untuk merealisasikan aset dan menyelesaikan kewajiban secara bersamaan.

f. Penggunaan estimasi

Penyusunan laporan keuangan sesuai dengan prinsip akuntansi yang berlaku umum mengharuskan manajemen untuk membuat estimasi dan asumsi yang mempengaruhi jumlah aset dan liabilitas dan pengungkapan aset dan kewajiban kontinjen pada tanggal laporan keuangan serta jumlah pendapatan dan beban selama periode pelaporan. Hasil yang sebenarnya mungkin berbeda dari jumlah yang diestimasi.

g. Kas dan setara kas

Kas dan setara kas meliputi kas dan bank dan deposito berjangka dengan jangka waktu 3 (tiga) bulan atau kurang sejak tanggal penempatan dan tidak dijadikan sebagai jaminan dan tidak dibatasi penggunaannya.

h. Piutang

Piutang disajikan dalam jumlah bersih setelah dikurangi dengan penyisihan piutang tidak tertagih, yang diestimasi berdasarkan penelaahan atas kolektibilitas saldo piutang. Piutang dihapuskan pada saat piutang tersebut dipastikan tidak akan tertagih.

i. Biaya dibayar dimuka

Biaya dibayar dimuka diamortisasi selama manfaat masing-masing biaya dengan menggunakan metode garis lurus.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

e. Financial assets and liabilities (continued)

9. Offsetting

Financial assets and liabilities are set off and the net amount is presented in the balance sheets if, and only if, the Company has a legal right to set off the amounts and intends either to settle on a net basis or realize the asset and settle the liability simultaneously.

f. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

g. Cash and cash equivalents

Cash and cash equivalents represent cash on hand and in banks and time deposits with maturities of 3 (three) months or less at the time of placement and not pledged as collateral and without any restrictions in the usage.

h. Receivables

Receivables are recorded net of provision for doubtful accounts, based on a review of the collectibility of outstanding amounts. Account receivables will be written-off when it determined to be uncollectible.

i. Prepaid expenses

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

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2. IKHTISAR KEBIJAKAN AKUNTANSI (lanjutan)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

j. Pengakuan pendapatan dan beban

Pendapatan

Pendapatan diakui bila besar kemungkinan manfaat ekonomi akan diperoleh oleh Perusahaan dan jumlahnya dapat diukur secara andal. Pendapatan diukur pada nilai wajar pembayaran yang diterima, tidak termasuk diskon, rabat dan Pajak Pertambahan Nilai. Kriteria spesifik juga harus dipenuhi sebelum pendapatan diakui untuk penjualan barang. Pendapatan dari penjualan yang timbul dari pengiriman fisik produk Perusahaan diakui pada saat risiko dan manfaat signifikan atas kepemilikan barang dagang telah dipindahkan kepada pelanggan.

Beban

Beban diakui pada saat terjadinya (*accrual basis*).

k. Perpajakan

Aset dan kewajiban pajak tangguhan diakui atas konsekuensi pajak periode mendatang yang timbul dari perbedaan jumlah tercatat aset dan kewajiban menurut laporan keuangan dengan dasar pengenaan pajak aset dan kewajiban.

Kewajiban pajak tangguhan diakui untuk semua perbedaan temporer kena pajak dan Aset pajak tangguhan diakui untuk perbedaan temporer yang boleh dikurangkan, sepanjang besar kemungkinan dapat dimanfaatkan untuk mengurangi laba kena pajak pada masa datang.

Pajak tangguhan diukur dengan menggunakan tarif pajak yang berlaku atau secara substansial telah berlaku pada akhir periode pelaporan. Pajak tangguhan dibebankan atau dikreditkan dalam laporan laba rugi, kecuali pajak tangguhan yang dibebankan atau dikreditkan langsung ke ekuitas.

Aset dan kewajiban pajak tangguhan disajikan pada laporan posisi keuangan, kecuali aset dan kewajiban pajak tangguhan untuk entitas yang berbeda, atas dasar kompensasi sesuai dengan penyajian aset dan kewajiban pajak kini.

b. Perubahan kebijakan akuntansi dan pengungkapan

Berikut adalah standar dan interpretasi yang tidak menimbulkan dampak yang signifikan terhadap laporan keuangan

- PSAK 71 "Instrumen Keuangan"
- PSAK 72 "Pendapatan dari Kontrak dengan Pelanggan"
- PSAK 73 "Sewa"
- Penyesuaian Tahunan PSAK 1 "Penyajian Laporan"
- Amandemen PSAK 1 "Penyajian Laporan Keuangan"

j. Recognition of revenues and expenses

Revenue

Revenue is recognized to extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured at the fair value of the consideration received, excluding discounts, rebates and Value Added Tax. Specific recognition criteria must also be met before revenue is recognized for sale of goods. Revenue from sales arising for physical delivery of the Company is recognized upon the transfer of significant risk and rewards of ownership of the goods to customers which generally coincide with their delivery and acceptance.

Expenses

Expenses are recognized when incurred (*accrual basis*).

k. Taxation

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of assets and liabilities and their respective tax bases.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized.

Deferred tax is calculated the tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is charged or credited in the statements of income, except when it relates to items charged or credited directly to equity.

Deferred tax assets and liabilities are offset in the statement of financial position in the same manner the current tax assets and liabilities are presented.

b. Changes in accounting policy and disclosures

The following standards and interpretation did not result in a significant effect on the consolidated financial statements:

- PSAK 71 "Financial Instruments"
- PSAK 72 "Revenue from Contracts with Customers"
- PSAK 73 "Leases"
- Annual Improvement PSAK 1 "Presentation of Financial"
- Amandemen PSAK 1 "Presentation of Financial Statements"

PT Sterlite Technologies Indonesia

CATATAN ATAS LAPORAN KEUANGAN
UNTUK TAHUN YANG BERAKHIR PADA TANGGAL
31 DESEMBER 2020 DAN 2019 (TIDAK DIAUDIT)

(Dinyatakan dalam satuan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2020 AND 2019 (UNAUDITED)

(Expressed in Rupiah, unless otherwise stated)

3. KAS DAN SETARA KAS

	<u>2020</u>
PT Bank DBS Indonesia - IDR	972.594.419
PT Bank DBS Indonesia - USD	284.142.795
PT Bank SBI Indonesia	120.000.000
JUMLAH KAS DAN SETARA KAS	<u>1.376.737.214</u>

3. CASH AND CASH EQUIVALENTS

	<u>2019</u>
PT Bank DBS Indonesia - IDR	-
PT Bank DBS Indonesia - USD	-
PT Bank SBI Indonesia	-
TOTAL CASH AND CASH EQUIVALENTS	<u>-</u>

4. PIUTANG USAHA

	<u>2020</u>
Pihak Ketiga :	
- PT Aguna Satya Mulya	942.892.500
- PT Fajar Mitra Krida Abadi	2.280.156.610
JUMLAH PIUTANG USAHA	<u>3.223.049.110</u>

4. ACCOUNTS RECEIVABLE

	<u>2019</u>
Third parties :	
PT Aguna Satya Mulya	-
PT Fajar Mitra Krida Abadi	-
TOTAL ACCOUNTS RECEIVABLE	<u>-</u>

5. PERSEDIAAN

	<u>2020</u>
Terdiri dari :	
- Kabel serat optik	3.512.382.750
JUMLAH PERSEDIAAN	<u>3.512.382.750</u>

5. INVENTORIES

	<u>2019</u>
Consists of :	
Optical fiber cable	-
TOTAL INVENTORIES	<u>-</u>

6. PIUTANG LAIN-LAIN

	<u>2020</u>
Terdiri dari :	
- Modal saham yang belum disetor	6.800.140.000
JUMLAH PIUTANG LAIN-LAIN	<u>6.800.140.000</u>

6. OTHERS PAYABLES

	<u>2019</u>
Consists of :	
Unpaid share capital	11.000.000.000
TOTAL OTHER RECEIVABLES	<u>11.000.000.000</u>

7. BIAYA DIBAYAR DIMUKA

	<u>2020</u>
Terdiri dari :	
- Jasa profesional	6.346.620
- Nominee renewal	53.863.333
JUMLAH BIAYA DIBAYAR DIMUKA	<u>60.209.953</u>

7. PREPAID EXPENSES

	<u>2019</u>
Consists of :	
Professional services	-
Nominee renewal	-
TOTAL PREPAID EXPENSES	<u>-</u>

PT Sterlite Technologies Indonesia

CATATAN ATAS LAPORAN KEUANGAN
UNTUK TAHUN YANG BERAKHIR PADA TANGGAL
31 DESEMBER 2020 DAN 2019 (TIDAK DIAUDIT)

(Dinyatakan dalam satuan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2020 AND 2019 (UNAUDITED)

(Expressed in Rupiah, unless otherwise stated)

8. UTANG USAHA		8. ACCOUNT PAYABLES	
	<u>2020</u>	<u>2019</u>	
Terdiri dari :			Consists of :
Pihak berelasi:			<i>Related parties :</i>
- Sterlite Technologies Limited	4.094.613.840	-	<i>Sterlite Technologies Limited -</i>
JUMLAH UTANG USAHA	<u>4.094.613.840</u>	<u>-</u>	TOTAL ACCOUNT PAYABLES
9. UANG MUKA PELANGGAN		9. ADVANCE FROM CUSTOMERS	
	<u>2020</u>	<u>2019</u>	
Terdiri dari :			Consists of :
- PT Fajar Mitra Krida Abadi	138.600.000	-	<i>PT Fajar Mitra Krida Abadi -</i>
JUMLAH UANG MUKA PELANGGAN	<u>138.600.000</u>	<u>-</u>	ADVANCE FROM CUSTOMERS
10. BIAYA YANG MASIH HARUS DIBAYAR		10. ACCRUED EXPENSES	
	<u>2020</u>	<u>2019</u>	
Terdiri dari :			Consists of :
- Biaya audit	29.610.000	-	<i>Audit fees -</i>
JUMLAH BIAYA YANG MASIH HARUS DIBAYAR	<u>29.610.000</u>	<u>-</u>	TOTAL ACCRUED EXPENSES
11. PERPAJAKAN		11. TAXATION	
a. Pajak dibayar dimuka		a. Prepaid taxes	
	<u>2020</u>	<u>2019</u>	
Terdiri dari :			Consists of :
- PPh pasal 28a	128.928.698	-	<i>Income tax article 28a -</i>
- PPn masukan - bersih	179.939.100	-	<i>VAT in - net -</i>
JUMLAH HUTANG PAJAK	<u>308.867.798</u>	<u>-</u>	TOTAL TAX PAYABLES

PT Sterlite Technologies Indonesia

CATATAN ATAS LAPORAN KEUANGAN
UNTUK TAHUN YANG BERAKHIR PADA TANGGAL
31 DESEMBER 2020 DAN 2019 (TIDAK DIAUDIT)

(Dinyatakan dalam satuan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2020 AND 2019 (UNAUDITED)

(Expressed in Rupiah, unless otherwise stated)

11. PERPAJAKAN (lanjutan)

b. Beban pajak kini

Rekonsiliasi antara laba sebelum pajak Perusahaan dengan penghasilan kena pajak Perusahaan untuk tahun yang berakhir pada tanggal 31 Desember 2020 dan 2019 adalah sebagai berikut:

	2020	2019	
Laba (rugi) sebelum pajak	20.857.287	-	Income (loss) before tax
Koreksi fiskal:	-	-	Fiscal correction:
Penghasilan neto fiskal	20.857.287	-	Fiscal net income
Beban pajak penghasilan kini Perusahaan	2.294.302	-	Current income tax expenses of the Company
Pembayaran pajak dimuka Perusahaan	-	-	Prepayment of income taxes of the Company
- Pasal 22	(131.223.000)	-	Article 22 -
Lebih bayar pajak penghasilan (PPH 28a)	(128.928.698)	-	Prepaid income tax (PPH 28a)

11. TAXATION (continued)

b. Current tax expenses

The reconciliation between profit before income tax of the Company and the Company's estimated taxable income for the year ended December 31, 2020 and 2019 is as follows:

12. MODAL SAHAM

Rincian kepemilikan saham Perusahaan dengan nilai nominal Rp 10.000.000 per saham pada tanggal 31 Desember 2020 dan 2019 adalah sebagai berikut:

12. SHARE CAPITAL

The details of share ownership of the Company with par value of Rp 10.000.000 per share as of December 31, 2020 and 2019 are as follows:

31 Desember 2020 dan 2019 / December 31, 2020 and 2019			
Pemegang Saham / Shareholders	Persentase Kepemilikan / Percentage of ownership	Lembar Saham / Number of Shares	Jumlah / Total (Rp)
Ankit Agarwal	3,00%	33	330.000.000
Sterlite Technologies Limited	97,00%	1.067	10.670.000.000
Jumlah	100%	1.100	11.000.000.000

PT Sterlite Technologies Indonesia

CATATAN ATAS LAPORAN KEUANGAN
UNTUK TAHUN YANG BERAKHIR PADA TANGGAL
31 DESEMBER 2020 DAN 2019 (TIDAK DIAUDIT)

(Dinyatakan dalam satuan Rupiah, kecuali dinyatakan lain)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2020 AND 2019 (UNAUDITED)

(Expressed in Rupiah, unless otherwise stated)

13. PENJUALAN BERSIH

	2020
Merupakan penjualan kepada:	
- PT Fajar Mitra Krida Abadi	3.159.935.100
- PT Aguna Satya Mulya	117.735.000
- PT Aguna Satya Mulya	739.440.000
JUMLAH PENJUALAN BERSIH	4.017.110.100

13. NET SALES

	2019
	-
	-
	-
TOTAL NET SALES	-

Represents sales to:
PT Fajar Mitra Krida Abadi -
PT Aguna Satya Mulya -
PT Aguna Satya Mulya -

14. HARGA POKOK PENJUALAN

	2020
Terdiri dari :	
Harga pokok persediaan yang dijual	3.615.399.090
JUMLAH HARGA POKOK PENJUALAN	3.615.399.090

14. COST OF GOODS SOLD

	2019
	-
	-
TOTAL COST OF GOODS SOLD	-

Consists of :
Cost of goods sold

15. BEBAN OPERASIONAL

	2020
Terdiri dari :	
Administrasi dan Umum	
Jasa profesional	216.274.657
Biaya Pengujian	171.007.500
JUMLAH BEBAN OPERASIONAL	387.282.157

15. OPERATING EXPENSES

	2019
	-
	-
	-
TOTAL OPERATING EXPENSES	-

Consists of :
General and Administrative
Professional Expense
Testing Charges

16. TANGGUNG JAWAB PENYELESAIAN LAPORAN KEUANGAN

Manajemen Perusahaan bertanggung jawab atas penyusunan laporan keuangan dan telah menyetujui untuk menerbitkan laporan keuangan untuk tahun yang berakhir 31 Desember 2020 pada 16 April 2021.

16. RESPONSIBILITY FOR THE COMPLETION OF THE FINANCIAL STATEMENTS

The management of the Company is responsible for the preparation of these financial statements and has agreed to publish the financial statements for the year ended December 31, 2020 on April 16, 2021.

Speedon Network Limited

Financial Statements for FY 2020-21

SPEEDON NETWORK LIMITED
BALANCE SHEET AS AT 31 MARCH 2021
(All amounts are in Rs. lacs, unless otherwise states)

	Note	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant & equipment	4	1,640.57	1,887.46
Intangible assets	4A	87.33	99.84
Financial assets			
Investments	5	2.00	2.00
Loans	6	16.49	14.74
Deferred tax assets (net)	7	-	-
Other non-current assets	8	457.99	396.19
		2,204.38	2,400.23
Current assets			
Financial assets			
Trade receivables	9	338.95	336.00
Cash and cash equivalents	10	57.71	58.47
Other bank balances	10A	39.39	37.86
Contract Assets	11	381.73	87.41
Other current assets	8	248.08	313.22
		1,065.86	832.96
Total Assets		3,270.24	3,233.19
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	155.00	155.00
Other Equity	13	(611.49)	198.53
Total Equity		(456.49)	353.53
Non-current liabilities			
Financial liabilities			
Borrowings	14	2,535.99	2,362.63
		2,535.99	2,362.63
Current liabilities			
Financial liabilities			
Trade payables			
-Total outstanding dues of micro enterprises & small enterprises	15	-	0.21
-Total outstanding dues of creditors other than micro enterprises & small enterprises		1,185.84	508.44
Other current liabilities	16	4.92	8.38
		1,190.76	517.03
Total Liabilities		3,726.75	2,879.66
Total Equity & Liabilities		3,270.24	3,233.19
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For and on behalf of the Board Of Directors of Speedon Network Limited

Neeraj Sharma
Partner
Membership Number: 108391
Place: Pune
Date:

K S Rao
Director
DIN: 00022533
Place:
Date:

Pankaj Aggarwal
Director
DIN: 0889216
Place:
Date:

Alok Mahapatra
Chief Executive Officer
Place:

Date:

SPEEDON NETWORK LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

(All amounts are in Rs. lacs, unless otherwise stated)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
INCOME			
Revenue from operations	17	1,095.32	1,418.92
Other Income	18	1.88	2.15
Total Income (I)		1,097.20	1,421.07
EXPENSES			
Other expenses	20	1,449.11	1,689.18
Total Expenses (II)		1,449.11	1,689.18
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		(351.91)	(268.10)
Depreciation and amortisation expense	21	259.47	252.78
Finance costs	22	201.59	199.92
Finance Income	19	(2.95)	(3.28)
Profit/(Loss) before tax		(810.02)	(717.53)
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Total tax expenses		-	-
Profit/(Loss) for the year		(810.02)	(717.53)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(810.02)	(717.53)
Earnings/(Loss) per share			
Basic	23		
Computed on the basis of profit/(loss) for the year (Rs.)		(52.26)	(46.29)
Diluted			
Computed on the basis of profit/(loss) for the year (Rs.)		(52.26)	(46.29)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For and on behalf of the Board Of Directors of Speedon Network Limited

Neeraj Sharma
Partner
Membership Number: 108391
Place: Pune
Date:

K S Rao
Director
DIN: 00022533
Place:
Date:

Pankaj Aggarwal
Director
DIN: 0889216
Place:
Date:

Alok Mahapatra
Chief Executive Officer
Place:
Date:

SPEEDON NETWORK LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. lacs, unless otherwise states)

A. Equity Share Capital

	Note	No. in lakhs	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid			
As at 1 April 2019		15.50	155.00
Changes in equity share capital	12	-	-
As at 31 March 2020		15.50	155.00
Changes in equity share capital	12	-	-
As at 31 March 2021		15.50	155.00

B. Other equity

For the year ended March 31, 2021

Particulars	Securities Premium	Retained Earnings	Equity Portion of Compulsorily Convertible Debentures	Equity Contribution from Parent	Total
Balance at 1 April 2019	345.54	(4,083.64)	4,470.59	183.57	916.06
Profit/(Loss) for the year	-	(717.53)	-	-	(717.53)
Other comprehensive income for the year	-	-	-	-	-
Balance at 31 March 2020	345.54	(4,801.17)	4,470.59	183.57	198.53
Profit/(Loss) for the year	-	(810.02)	-	-	(810.02)
Other comprehensive income for the year	-	-	-	-	-
Balance at 31 March 2021	345.54	(5,611.20)	4,470.59	183.57	(611.49)

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For and on behalf of the Board Of Directors of Speedon Network Limited

Neeraj Sharma
Partner
Membership Number: 108391
Place: Pune
Date:

K S Rao
Director
DIN: 00022533
Place:
Date:

Pankaj Aggarwal
Director
DIN: 0889216
Place:
Date:

Alok Mahapatra
Chief Executive Officer
Place:
Date:

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SPEEDON NETWORK LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. lacs, unless otherwise states)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Operating activities			
Profit/(Loss) before tax		(810.02)	(717.53)
Adjustments to reconcile profit/(loss) before tax to net cash flows			
Depreciation expense	21	246.96	240.27
Amortization expense	21	12.51	12.51
Provision for doubtful debts	20	14.65	-
Interest on tax refund	18	(1.88)	-
Finance costs	22	201.59	199.92
Finance income	19	(2.95)	(3.28)
		<u>470.88</u>	<u>449.42</u>
Operating profit before working capital changes		(339.14)	(268.11)
Change in operating assets and liabilities:			
Increase/(Decrease) in trade payables	15	677.19	344.84
Increase/(Decrease) in other current liabilities	16	(3.46)	2.94
Increase/(Decrease) in contract liabilities		-	(9.07)
Decrease/(Increase) in contract assets	11	(294.32)	(39.40)
Decrease/(Increase) in trade receivable	9	(17.60)	955.51
Decrease/(Increase) in current assets	8	65.14	108.18
Decrease/(Increase) in other bank balances	10A	0.17	0.15
Decrease/(Increase) in other non-current assets	8	(81.82)	(249.97)
Changes in working capital		<u>345.30</u>	<u>1,113.18</u>
Cash generated from operations		<u>6.16</u>	<u>1,113.20</u>
Income Taxes (paid) / refund received		21.88	-
Net cash inflow/(outflow) from operating activities		<u>28.04</u>	<u>1,113.20</u>
B. Investing activities			
Loans to related parties		(0.50)	(0.82)
Movement in property, plant & equipments		(0.07)	8.58
Net cash inflow/(outflow) from investing activities		<u>(0.57)</u>	<u>7.76</u>
C. Financing activities			
Proceeds of borrowings		103.79	195.17
Repayment of borrowings		(130.41)	(992.90)
Bank Charges	22	(1.61)	(1.11)
Net cash inflow/(outflow) from financing activities		<u>(28.23)</u>	<u>(798.84)</u>
Net increase/(decrease) in cash and cash equivalents (A + B + C)		(0.76)	54.01
Cash and cash equivalents as at beginning of year		58.47	4.46
Cash and cash equivalents as at year end		57.71	58.47
Components of cash and cash equivalents:		31 March 2021	31 March 2020
Balances with banks:			
In current accounts	10	57.71	58.47
Cash in hand	10	-	-
Total cash and cash equivalents		57.71	58.47

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

**For and on behalf of the Board Of Directors of Speedon
Network Limited**

Neeraj Sharma
Partner
Membership Number: 108391

K S Rao
Director
DIN: 00022533

Pankaj Aggarwal
Director
DIN: 0889216

Place: Pune
Date:

Place:
Date:

Place:
Date:

Alok Mahapatra
Chief Executive Officer
Place:
Date:

SPEEDON NETWORK LIMITED**Notes to financial statements for the year ended 31 March 2021****NOTE 3 : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

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SPEEDON NETWORK LIMITED

Notes to financial statements for the year ended 31 March 2021

NOTE 4: PROPERTY, PLANT & EQUIPMENT**(Rs. in Lacs)**

	Plant & Machinery	Office equipments	Total
Cost			
As at 1 April 2019	3,409.76	0.35	3,410.11
Additions	71.60	-	71.60
Disposals/Adjustments	-	-	-
As at 31 March 2020	3,481.36	0.35	3,481.71
Additions	-	0.07	0.07
Disposals/Adjustments	-	-	-
As at 31 March 2021	3,481.36	0.42	3,481.78
Accumulated Depreciation, Amortization & Impairment			
As at 1 April 2019	1,353.81	0.17	1,353.98
Charge for the year	240.20	0.07	240.27
Disposals/Adjustments	-	-	-
As at 31 March 2020	1,594.01	0.24	1,594.25
Charge for the year	246.88	0.08	246.96
Disposals/Adjustments	-	-	-
As at 31 March 2021	1,840.89	0.32	1,841.21
Net Book Value			
As at 31 March 2021	1,640.47	0.10	1,640.57
As at 31 March 2020	1,887.35	0.11	1,887.46

SPEEDON NETWORK LIMITED

Notes to financial statements for the year ended 31 March 2021

NOTE 4A: OTHER INTANGIBLE ASSETS

Intangible assets	(Rs. in Lacs)	
	Software/ Licenses	Total
Cost		
As at 1 April 2019	125.07	125.07
Additions	-	-
Disposals/Adjustments	-	-
As at 31 March 2020	125.07	125.07
Additions	-	-
Disposals	-	-
As at 31 March 2021	125.07	125.07
Accumulated Amortization & Impairment		
As at 1 April 2019	12.72	12.72
Charge for the year	12.51	12.51
Disposals/Adjustments	-	-
As at 31 March 2020	25.23	25.23
Charge for the year	12.51	12.51
Disposals/Adjustments	-	-
As at 31 March 2021	37.74	37.74
Net Block		
As at 31 March 2021	87.33	87.33
As at 31 March 2020	99.84	99.84

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SPEEDON NETWORK LIMITED
Notes to financial statements for the year ended 31 March 2021

	31 March 2021 (Rs. in laes)	31 March 2020 (Rs. in laes)
NOTE 5: INVESTMENTS		
Non-current investments in equity instruments (unquoted, fully paid up)		
Investment in Subsidiaries		
Equity investment at cost		
20,000 (31 March 2020 - 20,000) Equity shares of Sterlite Telesystems Limited of Rs. 10 each fully paid up	2.00	2.00
Total	2.00	2.00

Total non-current investments		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	2.00	2.00
Amount of impairment in the value of investments	-	-

	31 March 2021 (Rs. in laes)	31 March 2020 (Rs. in laes)
NOTE 6: LOANS		
Non- Current		
Loans to related party (Refer Note 27)	16.49	14.74
Less : Loss allowance	-	-
Total non current loan	16.49	14.74
Break-up for security details		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	16.49	14.74
Loans which have significant increase in credit risk	-	-
Loans - Credit impaired	-	-
Total	16.49	14.74
Less : Loss allowance	-	-
Total	16.49	14.74

NOTE 7: DEFERRED TAX ASSETS (NET) AND CURRENT TAX

- No provision for income tax for the year has been made in the absence of book profits and in view of taxable loss computed under the provisions of the Income Tax Act, 1961, of India.
- In view of the absence of virtual certainty of taxable profits arising in future, the cumulative deferred tax assets as at March 31, 2021 and net deferred tax assets of the current financial year have not been recognised.

	31 March 2021 (Rs. in laes)	31 March 2020 (Rs. in laes)
NOTE 8: OTHER ASSETS		
Non-current		
Advance income tax, including TDS (net of provision)	89.14	103.31
Balances with government authorities	250.00	191.10
Prepaid expenses	105.04	93.29
Others	13.82	8.48
Total other non-current assets	458.00	396.19
Current		
Balances with government authorities (including amount paid under protest)	227.41	302.86
Prepaid expenses	4.70	-
Advance to Suppliers	14.77	9.73
Others	1.20	0.62
Total other current assets	248.08	313.22

	31 March 2021 (Rs. in laes)	31 March 2020 (Rs. in laes)
NOTE 9: TRADE RECEIVABLES		
Current		
Trade receivables	159.76	352.03
Receivables from related parties (Refer Note No. 27)	209.87	-
Less : Loss allowance	(30.68)	(16.03)
	338.95	336.00
Break-up for security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	369.63	352.03
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	-	-
Total	369.63	352.03
Less: Loss Allowance	(30.68)	(16.03)
Total Trade Receivables	338.95	336.00

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 in which any director is a partner, a director or a member.

SPEEDON NETWORK LIMITED
Notes to financial statements for the year ended 31 March 2021

NOTE 10: CASH AND CASH EQUIVALENTS

	<u>31 March 2021</u> <u>(Rs. in lacs)</u>	<u>31 March 2020</u> <u>(Rs. in lacs)</u>
Cash in hand	-	-
Balance with banks:		
In current accounts (in INR)	57.71	58.47
	<u>57.71</u>	<u>58.47</u>

There are no repatriation restrictions with regards to cash and cash equivalents.

NOTE 10A: OTHER BANK BALANCES

	<u>31 March 2021</u> <u>(Rs. in lacs)</u>	<u>31 March 2020</u> <u>(Rs. in lacs)</u>
Deposits with original maturity for more than 3 months but less than 12 months	39.39	37.86
Total other bank balances	<u>39.39</u>	<u>37.86</u>

NOTE 11: Contract Assets

	<u>31 March 2021</u> <u>(Rs. in lacs)</u>	<u>31 March 2020</u> <u>(Rs. in lacs)</u>
Contract assets	381.73	87.41
	<u>381.73</u>	<u>87.41</u>

Significant changes in Contract assets

Contract assets have increased from the previous year as the entity has incurred costs towards the fulfilment of performance obligations identified under the contracts with customers. There is no impairment allowance of the contract assets for current year and previous year. During the year ended March 31, 2021, Rs. 76.00 Lacs (March 31, 2020: Rs NIL Lacs) of opening unbilled revenue has been reclassified to Trade receivables upon billing to customers.

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SPEEDON NETWORK LIMITED
Notes to financial statements for the year ended 31 March 2021

NOTE 13 : OTHER EQUITY

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Equity Portion of Compulsorily Convertible Debentures		
Opening balance	4,470.59	4,470.59
Add: Issued during the year	-	-
Equity Portion of Compulsorily Convertible Debentures	4,470.59	4,470.59
Securities premium reserve		
Opening and Closing balance	345.54	345.54
Securities premium reserve	345.54	345.54
Equity Contribution from Parent		
Opening and Closing balance	183.57	183.57
Equity Contribution from Parent	183.57	183.57
Retained Earnings		
Opening balance	(4,801.17)	(4,083.64)
Add: Profit/(Loss) for the year	(810.02)	(717.53)
Total retained earnings	(5,611.19)	(4,801.17)
Total other equity	(611.49)	198.53

Nature and Purpose of reserves other than retained earnings:

Securities premium reserve
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Equity Contribution from Parent

This reserve is attributable to the fair value difference at inception for loan obtained from the Holding Company.

Equity Portion of Compulsorily Convertible Debentures

This reserve is created on the Compulsory Convertible Debentures issued by the company in earlier years as per the requirement of Ind AS 109.

NOTE 14: BORROWINGS

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Non-current borrowings		
Term loans		
Loan from Related Party (unsecured) (refer note below)	2,535.99	2,362.63
	2,535.99	2,362.63
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	2,535.99	2,362.63
Total Non-current borrowings	2,535.99	2,362.63

Note:

The Company has obtained unsecured borrowing from its Holding Company which carries interest at 8% p.a. (31 March 2020: 8% p.a.) and the same is repayable on demand based on availability of funds with the Company.

Net debt reconciliation

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

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Particulars		
Cash and cash equivalents	57.71	58.47
Current investments*	39.39	37.86
Current Borrowings	-	-
Non-current borrowings (including interest accrued but not due and current maturity of long term)	(2,535.99)	(2,362.63)
Net Debt	(2,438.90)	(2,266.30)

*includes other bank balance of Rs. 39.39 lacs (31 March 2020 : 37.86 lacs) with respect to fixed deposits. These fixed deposits can be encashed by the Company at any time without any major penalties.

	(Rs. in crores)	(Rs. in crores)
Movement of Non-current borrowings		
	31 March 2021	31 March 2020
Opening balance	2,362.63	2,961.92
Cashflows	(26.62)	(798.10)
Interest expense	199.98	198.81
Interest paid	-	-
Closing balance	2,535.99	2,362.63
Movement of Cash and cash equivalents		
	(Rs. in crores)	(Rs. in crores)
	31 March 2021	31 March 2020
Opening balance	58.47	4.46
Cashflows	(0.76)	54.01
Closing balance	57.71	58.47
Movement of Current Investments		
	(Rs. in crores)	(Rs. in crores)
	31 March 2021	31 March 2020
Opening balance	37.86	35.84
Cashflows	-	-
Interest accrued	1.53	2.02
Closing balance	39.39	37.86

SPEEDON NETWORK LIMITED
Notes to financial statements for the year ended 31 March 2021

NOTE 15: TRADE PAYABLES	31 March 2021	31 March 2020
	(Rs. in lacs)	(Rs. in lacs)
Total outstanding dues of micro enterprises & small enterprises (refer note 26)	-	0.21
Total outstanding dues of creditors other than micro enterprises & small enterprises		
Trade payables to related parties (refer note 27)	918.50	326.10
Others	267.34	183.34
	1,185.84	508.44
Total Trade Payable	1,185.84	508.64

NOTE 16: OTHER LIABILITIES	31 March 2021	31 March 2020
	(Rs. in lacs)	(Rs. in lacs)
Current		
Statutory dues payable	4.92	8.38
Total other current liabilities	4.92	8.38

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SPEEDON NETWORK LIMITED
Notes to financial statements for the year ended 31 March 2021

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
NOTE 17: REVENUE FROM OPERATIONS		
Revenue from Contract with Customers		
Revenue from Sale of services	1,095.32	1,418.92
Total revenue from Contract with Customers	1,095.32	1,418.92

Revenue disaggregation in terms of nature has been included above.
There is no amount of unsatisfied (or partially satisfied) performance obligation as on March 31, 2021.
Refer note 2 and 3 for accounting policy and significant accounting judgements, respectively.
The total contract price of Rs.1,095.32 lacs is reduced by consideration of Rs. NIL towards variable components.

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
NOTE 18: OTHER INCOME		
Interest on tax refund	1.88	0.63
Others	-	1.52
Total other income	1.88	2.15

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
NOTE 19: FINANCE INCOME		
Interest income on		
- Bank deposits	1.70	2.18
- Loan to related party (Refer Note 27)	1.25	1.10
Total finance income	2.95	3.28

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
NOTE 20: OTHER EXPENSES		
Legal and professional fees	15.01	11.16
License Fees	96.82	113.95
Network Maintenance Expenses	1,098.82	1,365.80
Power, fuel and water	94.07	78.77
Provision for doubtful debts	14.65	-
Payment to Auditor (refer note below)	11.00	9.00
Rent	59.91	57.59
Rates and taxes	4.91	0.26
Travelling and conveyance	4.21	3.22
Telephone charges	3.76	1.58
Miscellaneous expenses	45.95	47.85
Total other expenses	1,449.11	1,689.18

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Payment to Auditor		
As Auditor:		
Statutory Audit fee	4.50	4.50
Tax audit fee	1.00	1.00
GST Audit and Other Certification Services	5.50	3.50
	11.00	9.00

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
NOTE 21: DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation of tangible assets	246.96	240.27
Amortisation of intangible assets	12.51	12.51
Total depreciation and amortisation expense	259.47	252.78

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
NOTE 22: FINANCE COST		
Interest on loan from related party (Refer Note 27)	199.98	198.81
Bank charges	1.61	1.11
Total finance cost	201.59	199.92

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
NOTE 23: EARNINGS PER SHARE (EPS)		
The following table shows the computation of basic and diluted EPS		
(a) Basic earnings per share		
Profit/(Loss) for the year	(810.02)	(717.53)
Weighted average number of equity shares in calculating basic EPS	15.50	15.50
Total Basic earnings per share attributable to the equity holders of the Company	(52.26)	(46.29)
(a) Diluted earnings per share		
Profit/(Loss) for the year	(809.57)	(717.08)
Weighted average number of equity shares in calculating diluted EPS	462.56	462.56
Total diluted earnings per share attributable to the equity holders of the Company*	(52.26)	(46.29)

*Compulsorily convertible debentures have not been considered for calculating diluted earnings per share as it has an anti-dilutive effect on the earnings per share.

SPEEDON NETWORK LIMITED
Notes to financial statements for the year ended 31 March 2021

NOTE 12: SHARE CAPITAL

	31 March 2021	31 March 2020
	(Rs. in lacs)	(Rs. in lacs)
Authorised Equity Share Capital		
5,000,000 (31 March 2020: 5,000,000) Equity Shares of Rs. 10 each	500.00	500.00
Issued, subscribed and fully paid-up shares		
1,550,000 (31 March 2020: 1,550,000) Equity Shares of Rs. 10 each fully paid - up	155.00	155.00
Total issued, subscribed and fully paid-up equity share capital	155.00	155.00

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

	31 March 2021		31 March 2020	
	Nos in lacs	Rs. in lacs	Nos in lacs	Rs. in lacs
At the beginning of the year	15.50	155.00	15.50	155.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	15.50	155.00	15.50	155.00

b. Terms and rights attached to equity shares

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

c. Shares held by Holding Company and their subsidiaries/associates:

	31 March 2021		31 March 2020	
	No. in lacs	% holding	No. in lacs	% holding
Immediate Holding Company				
Sterlite Technologies Limited and its nominee shareholders	15.50	100.00%	15.50	100.00%

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

	31 March 2021		31 March 2020	
	No. in lacs	% holding	No. in lacs	% holding
Sterlite Technologies Limited and its nominee shareholders	15.50	100.00%	15.50	100.00%

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SPEEDON NETWORK LIMITED

Notes to financial statements for the year ended 31 March 2021

NOTE 24: CAPITAL AND OTHER COMMITMENTS

There is no Capital and Other Commitments during the Current year (31 March 2021: NIL).

NOTE 25: DETAILS OF LOANS AND ADVANCES GIVEN TO SUBSIDIARIES

The details are provided as required by section 186 of the Companies Act 2013.

Name of Subsidiary	31 March 2021		31 March 2020	
	Outstanding Amount	Maximum Balance	Outstanding Amount	Maximum Balance
Sterlite Telesystems Limited	16.49	16.49	14.74	14.74

(Rs. in lacs)

NOTE 26: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

Description	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount due to micro and small enterprises	-	0.21
Interest due on above	-	* 0.00
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	0.00
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

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

*Amounts are below rounding off norms.

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SPEEDON NETWORK LIMITED
Notes to financial statements for the year ended 31 March 2021

NOTE 27 : RELATED PARTY TRANSACTIONS

Name of related party and nature of relationships:

a) Related parties where control exists:

(i) Holding Company:

Sterlite Technologies Limited ('STL') (Immediate Holding Company)
 Twinstar Overseas Limited, Mauritius (Intermediate Holding Company)
 Volcan Investments Limited, Bahamas (Ultimate Holding Company)

(ii) Subsidiary

Sterlite Telesystems Limited ('STSL')

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

Key Management Personnel (KMP)

K S Rao (Non-Executive Director)
 Pankaj Aggarwal (Non-Executive Director) (from September 22, 2020)
 Alok Mahapatra (Non-Executive Director, CEO) (from April 28, 2020)
 Anupam Jindal (Non-Executive Director) (up to September 11, 2020)
 Dharmendra Jain (Non-Executive Independent Director) (up to April 30, 2020)
 Lalit Narayan Tandon (Non-Executive Independent Director) (up to March 04, 2020)

Transactions with related parties during the year and outstanding balances are as follows:

Particulars	Transactions with STL		Transactions with STSL	
	2020-21	2019-20	2020-21	2019-20
Transactions during the year				
Services provided (exclusive of duties and taxes)	-	421.15	-	-
Network Maintenance Expenses	732.18	965.67	-	-
Other Operating Expenses	17.67	34.62	-	-
Interest on loans taken	199.98	198.81	-	-
Interest on loans given	-	-	1.25	1.10
Loans taken (principal amount)	103.79	195.17	-	-
Repayment of loans	130.41	973.39	-	-
Loans given (principal amount)	-	-	0.50	0.82
Closing balances as at year end	As at 31 Mar 2021	As at 31 Mar 2020	As at 31 Mar 2021	As at 31 Mar 2020
Long term loan taken	2,535.99	2,362.63	-	-
Equity Portion of Compulsorily Convertible Debentures (Refer Note 13)	4,470.59	4,470.59	-	-
Equity Contribution from Parent (Refer Note 13)	183.57	183.34	-	-
Loans & advances receivables	-	-	16.49	14.74
Investment in equity shares	-	-	2.00	2.00
Trade Receivable	209.87	-	-	-
Trade Payable	918.50	326.10	-	-

Note - In case of transactions with related parties, the amounts are exclusive of applicable taxes.

Note 28: FINANCIAL RISK MANAGEMENT

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

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. All risk management activities are carried out by specialist teams that have the appropriate skills, experience and supervision. 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 approved and reviewed regularly by Board to reflect changes in market conditions and the Company's activities.

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

a) Credit risk

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

Trade Receivables and Contract Assets

Customer credit risk is managed by top management subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credit rating 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 on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. During the period, the Company made no write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. As significant outstanding trade receivable are outstanding from its Holding Company credit risk related to these receivables is considered to be low.

The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation and based on assessment performed management has concluded that impact of expected credit loss is not material and current provision made against trade receivable is adequate to cover the provision on account of expected credit loss.

Financial assets and cash deposits

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

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2021 and 31 March 2020 is the carrying amounts of each class of financial assets.

b) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Company requires funds both for short term operational needs as well as for long term investment programs mainly in growth 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 Company has obtained loan from its Holding Company to meet its liquidity requirements.

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:

STL Digital Limited

Financial Statements for FY 2020-21

STL DIGITAL LIMITED (FORMERLY "STERLITE TECH CONNECTIVITY SOLUTIONS LIMITED")
BALANCE SHEET AS AT 31 MARCH 2021

	Note	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Assets			
Current assets			
Financial assets			
Cash and cash equivalents	3	263,181	391,971
		263,181	391,971
Total Assets		263,181	391,971
Equity and Liabilities			
Equity			
Equity share capital	4	500,000	500,000
Other Equity	5	(372,320)	(236,030)
Total Equity		127,681	263,971
Current liabilities			
Financial liabilities			
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises; and	6	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	6	135,500	128,000
		135,500	128,000
Total Liabilities		135,500	128,000
Total Equity and Liabilities		263,181	391,971
Summary of significant accounting policies	2		

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

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For and on behalf of the Board of Directors of
STL Digital Limited

Neeraj Sharma
Partner
Membership Number: 108391

Ankit Agarwal
Director
DIN: 03344202

Mihir Modi
Director
DIN: 03401046

Place : Pune
Date : July ____, 2021

Place : Pune
Date : July ____, 2021

STL DIGITAL LIMITED (FORMERLY "STERLITE TECH CONNECTIVITY SOLUTIONS LIMITED")
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

	Note	For the year ending March 31, 2021 (Amount in Rs.)	For the year ending March 31, 2020 (Amount in Rs.)
Income			
Revenue from operations		-	-
Total Income (I)		-	-
Expenses			
Other expenses	7	136,290	118,029
Total Expense (II)		136,290	118,029
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		(136,290)	(118,029)
Finance costs		-	-
Profit/(Loss) before tax		(136,290)	(118,029)
Tax expense:			
Current tax		-	-
Deferred tax	8	-	-
Total tax expenses		-	-
Profit/(Loss) for the year		(136,290)	(118,029)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income		(136,290)	(118,029)
Earnings/(Loss) per share			
Basic and diluted			
Computed on the basis of profit/(loss) for the year (Rs.)	9	(2.73)	(2.36)
Summary of significant accounting policies	2		

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

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

**For and on behalf of the Board of Directors of
STL Digital Limited**

Neeraj Sharma
Partner
Membership Number: 108391

Ankit Agarwal **Mihir Modi**
Director Director
DIN: 03344202 DIN: 03401046

Place : Pune
Date : July ____, 2021

Place : Pune
Date : July ____, 2021

STL DIGITAL LIMITED (FORMERLY "STERLITE TECH CONNECTIVITY SOLUTIONS LIMITED")
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

A. Equity share capital

	<u>Numbers</u>	<u>Amount in Rs.</u>
As at April 01, 2019	50,000	500,000
Changes in equity share capital	-	-
As at 31 March 2020	<u>50,000</u>	<u>500,000</u>
Changes in equity share capital	-	-
As at 31 March 2021	<u>50,000</u>	<u>500,000</u>

B. Other equity

	<u>Retained earnings</u> <u>(Amount in Rs.)</u>
As at April 01, 2019	<u>(118,000)</u>
Profit/(Loss) for the year	(118,029)
As at 31 March 2020	<u>(236,030)</u>
Profit/(Loss) for the year	(136,290)
As at 31 March 2021	<u>(372,320)</u>

Summary of significant accounting policies

2

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

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

**For and on behalf of the Board of Directors of
STL Digital Limited**

Neeraj Sharma
Partner
Membership Number: 108391

Ankit Agarwal
Director
DIN: 03344202

Mihir Modi
Director
DIN: 03401046

Place : Pune
Date : July ____, 2021

Place : Pune
Date : July ____, 2021

STL DIGITAL LIMITED (FORMERLY "STERLITE TECH CONNECTIVITY SOLUTIONS LIMITED")
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Note	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
A. Operating activities			
Profit/(Loss) before tax		(136,290)	(118,029)
Operating profit/(loss) before working capital changes		(136,290)	(118,029)
Working capital adjustments:			
Increase/(Decrease) in trade payables	6	7,500	10,000
Cash generated from operations		(128,790)	(108,029)
Income tax paid (net of refunds)		-	-
Net cash inflow/(outflow) from operating activities		(128,790)	(108,029)
B. Investing activities			
Net cash inflow/(outflow) from investing activities		-	-
C. Financing activities			
Net cash inflow/(outflow) from financing activities		-	-
Net increase (decrease) in cash and cash equivalents (A+B+C)		(128,790)	(108,029)
Cash and cash equivalents at the beginning of the year	3	391,971	500,000
Cash and cash equivalents at end of the year	3	263,181	391,971
Components of cash and cash equivalents:			
		31 March 2021	31 March 2020
Balances with banks:			
In current accounts	3	263,181	391,971
Total cash and cash equivalents		263,181	391,971
Summary of significant accounting policies	2		

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

As per our report of even date.

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STL Digital Limited (Formerly "Sterlite Tech Connectivity Solutions Limited")
Notes to financial statements for the year ended 31 March 2021

1. Corporate information

STL Digital Limited (Erstwhile "Sterlite Tech Connectivity Solutions Limited") (the 'Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company was incorporated on 20 December 2018 and is a wholly owned subsidiary of Sterlite Technologies Limited. The Company changed its name from "Sterlite Tech Connectivity Solutions Limited" to "STL Digital Limited" during the year ended 31 March 2021. The registered office of the Company is located at Plot No 33/1/1, Waghadara Road, Dadra, Silvassa, Dadra & Nagar Haveli (DN) – 396230.

2. Significant accounting policies

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

2.1 Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

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

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

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 year; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

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 year; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Company classifies all other liabilities as non-current.

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

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of products and services and the time between the acquisitions of assets for processing and their realisation in cash and cash equivalents, the

STL Digital Limited (Formerly "Sterlite Tech Connectivity Solutions Limited")
Notes to financial statements for the year ended 31 March 2021

Company has ascertained operating cycle of 12 months for the purpose of current and non-current classification of assets and liabilities.

a) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the Company's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss within finance costs. All other foreign exchange gains and losses are presented in the Statement of profit and loss on the basis of underlying transactions.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income.

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

b) Revenue from contracts with customers

Ind AS 115 "Revenue from contracts with customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an Company's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services.

The five-step process that must be applied before revenue can be recognised:

- (i) identify contracts with customers
- (ii) identify the separate performance obligation
- (iii) determine the transaction price of the contract
- (iv) allocate the transaction price to each of the separate performance obligations, and
- (v) recognise the revenue as each performance obligation is satisfied.

STL Digital Limited (Formerly "Sterlite Tech Connectivity Solutions Limited")
Notes to financial statements for the year ended 31 March 2021

Revenue recognition policy

The Company accounts for a contract when it has approval and commitment from parties involved, the rights of the parties are identified, payment terms are identified, the contract has commercial substance and collectability of consideration is probable.

The Company identifies distinct performance obligations in each contract. . If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

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

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

If none of the criteria above are met, the Company recognized revenue at a point-in-time. The point-in-time is determined when the control of the goods or services is transferred which is generally determined based on when the significant risks and rewards of ownership are transferred to the customer. Apart from this, the Company also considers its present right to payment, the legal title to the goods, the physical possession and the customer acceptance in determining the point in time where control has been transferred.

The Company estimates variable consideration using expected value method of probability-weighted values at an amount to which it expects to be entitled. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available.

c) Other Income

1. Interest income

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

2. Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

STL Digital Limited (Formerly "Sterlite Tech Connectivity Solutions Limited")
Notes to financial statements for the year ended 31 March 2021

d) Government grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the year necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are recorded in books of accounts by reducing the grant from the carrying amount of the asset.

When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

e) Income Taxes

Current income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, only if it is probable that future taxable profits will be available to utilise those temporary differences and losses.

STL Digital Limited (Formerly "Sterlite Tech Connectivity Solutions Limited")
Notes to financial statements for the year ended 31 March 2021

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference 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 income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

Current and Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to income taxes levied by same taxation authorities on either same taxable entity or different taxable entities which intend either to settle the current tax assets and tax liabilities on a net basis or to realise the asset and settle the liability simultaneously.

f) Leases

As a Lessee:

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

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

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

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

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

STL Digital Limited (Formerly "Sterlite Tech Connectivity Solutions Limited")
Notes to financial statements for the year ended 31 March 2021

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

g) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

h) Provisions and contingent liabilities

General

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, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are not recognised for future operating losses.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

i) Investment and Other Financial assets

i) Classification:

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

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)
- Those measured at amortised cost.

STL Digital Limited (Formerly "Sterlite Tech Connectivity Solutions Limited")
Notes to financial statements for the year ended 31 March 2021

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

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

ii) Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method. Impairment losses are presented as a separate line item in the financial statements.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses and impairment expenses are presented as separate line item in the financial statements.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other

STL Digital Limited (Formerly "Sterlite Tech Connectivity Solutions Limited")
Notes to financial statements for the year ended 31 March 2021

gains/(losses) in the year in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

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

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;
- b) Lease receivables under Ind AS 116
- c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 116

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent year, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company 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 Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, a Company 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

STL Digital Limited (Formerly "Sterlite Tech Connectivity Solutions Limited")
Notes to financial statements for the year ended 31 March 2021

the expected life of the financial instrument cannot be estimated reliably, then the Company 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 year is recognized as income/expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

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

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

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

iv) Derecognition of financial asset

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting year following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

STL Digital Limited (Formerly "Sterlite Tech Connectivity Solutions Limited")
Notes to financial statements for the year ended 31 March 2021

j) Financial liabilities

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the Company issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting year. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting year with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting year and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that 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 year in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

k) Cash and cash equivalents

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

STL Digital Limited (Formerly "Sterlite Tech Connectivity Solutions Limited")
Notes to financial statements for the year ended 31 March 2021

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

l) Dividend

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

m) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

n) Presentation of EBITDA

The Company presents Earnings before interest, tax, depreciation and amortisation ('EBITDA') in the statement of profit or loss; this is not specifically required by Ind AS 1. The term EBITDA is not defined in Ind AS. Ind AS compliant Schedule III allows companies to present line items, sub-line items and sub-totals to be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the Company's financial position or performance.

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

o) Trade receivable

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless there is significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective to collect contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

STL Digital Limited (Formerly "Sterlite Tech Connectivity Solutions Limited")
Notes to financial statements for the year ended 31 March 2021

p) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

q) Rounding of amount

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Indian Rupee per the requirement of Schedule III, unless otherwise stated.

2.2 Recent Accounting Pronouncements

Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 with effect from April 1, 2021. There are key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015.

These changes are applicable for the financial year commencing from April 1, 2021 thus management will evaluate disclosures required and applicable to Financial statements issued in respect of accounting years commencing on or after April 1st, 2021.

STL DIGITAL LIMITED (FORMERLY "STERLITE TECH CONNECTIVITY SOLUTIONS LIMITED")
 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 3: CASH AND CASH EQUIVALENTS

	<u>31 March 2021</u> <u>(Amount in Rs.)</u>	<u>31 March 2020</u> <u>(Amount in Rs.)</u>
Balances with banks:		
In current accounts	263,181	391,971
	<u>263,181</u>	<u>391,971</u>

NOTE 4: SHARE CAPITAL

	<u>31 March 2021</u> <u>(Amount in Rs.)</u>	<u>31 March 2020</u> <u>(Amount in Rs.)</u>
Authorised share capital	500,000	500,000
50,000 Equity Shares of Rs.10 each	<u>500,000</u>	<u>500,000</u>
Issued, subscribed and fully paid-up share capital		
50,000 Equity Shares of Rs.10 each fully paid up	500,000	500,000
Total issued, subscribed and fully paid-up share capital	<u>500,000</u>	<u>500,000</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the year:

	<u>Numbers</u>	<u>Amount in Rs.</u>
As at 1 April 2019	50,000	500,000
Issued during the year	-	-
Outstanding as at 31 March 2020	<u>50,000</u>	<u>500,000</u>
Issued during the year	-	-
Outstanding as at 31 March 2021	<u>50,000</u>	<u>500,000</u>

b. Terms and rights attached to equity shares

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

c. Shares of the Company held by Holding Company

	<u>31 March 2021</u>	
	<u>Numbers</u>	<u>% holding</u>
Immediate Holding Company		
Sterlite Technologies Limited and its nominee shareholders	50,000	100%
	<u>31 March 2020</u>	
	<u>Numbers</u>	<u>% holding</u>
Immediate Holding Company		
Sterlite Technologies Limited and its nominee shareholders	50,000	100%

d. Details of shareholders holding more than 5% of shares in The Company

	<u>31 March 2021</u>	
	<u>Numbers</u>	<u>% holding</u>
Sterlite Technologies Limited and its nominee shareholders	50,000	100%
	<u>31 March 2020</u>	
	<u>Numbers</u>	<u>% holding</u>
Sterlite Technologies Limited and its nominee shareholders	50,000	100%

NOTE 5 : OTHER EQUITY

	<u>31 March 2021</u> <u>(Amount in Rs.)</u>	<u>31 March 2020</u> <u>(Amount in Rs.)</u>
Retained earnings		
Opening balance	(236,030)	(118,000)
Add: Profit/(Loss) for the year	(136,290)	(118,029)
Total retained earnings	<u>(372,320)</u>	<u>(236,030)</u>
Total other equity	<u>(372,320)</u>	<u>(236,030)</u>

NOTE 6: TRADE PAYABLES

	<u>31 March 2021</u> <u>(Amount in Rs.)</u>	<u>31 March 2020</u> <u>(Amount in Rs.)</u>
Total outstanding dues of creditors other than micro enterprises & small enterprises (refer note 13)	-	-
Total outstanding dues of creditors other than micro & small enterprises:		
- Trade payables to related party	17,500	10,000
- Others	118,000	118,000
Total Trade Payables	<u>135,500</u>	<u>128,000</u>

STL DIGITAL LIMITED (FORMERLY "STERLITE TECH CONNECTIVITY SOLUTIONS LIMITED")
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 7: OTHER EXPENSES

	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Payment to Auditor (refer note below)	118,000	118,000
Legal and Professional Fees	18,290	-
Bank Charges	-	29
Total other expenses	136,290	118,029
Payment to Auditor	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
As Auditor:		
Audit fees	118,000	118,000
	118,000	118,000

NOTE 8: DEFERRED TAX AND CURRENT TAX

	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Deferred tax asset		
Total losses for the current year	136,290	118,029
Total losses for the current year on which deferred tax asset has not been recognised	(136,290)	(118,029)
	-	-

In the current year, the Company has not recognised deferred tax asset on carried forward losses as the Company is not likely to generate taxable income in the foreseeable future. These unused tax losses can be carried forward as per the provisions of Income Tax Act, 1961.

The tax expense is computed as per the provisions of Income Tax Act, 1961. Statutory tax rate of 22% (March 31, 2020: 22%) is applicable to the Company for the financial year ended 31 March 2021. Considering loss incurred during the year and lack of probability of future recovery of losses incurred, tax expense for the year is Nil.

NOTE 9: EARNINGS/(LOSS) PER SHARE (EPS)

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

The following table shows the computation of basic EPS and diluted EPS:

	31 March 2021 (Amount in Rs.)	31 March 2020 (Amount in Rs.)
Profit/(Loss) for the year	(136,290)	(118,029)
Weighted average number of equity shares for calculating basic and diluted EPS	50,000	50,000
Earnings/(Loss) per share		
Basic and diluted (on nominal value of Rs. 10 per share) Rupees/share	(2.73)	(2.36)

NOTE 10: FAIR VALUE MEASUREMENT

All the financial instruments of the Company are classified at amortised cost. The management assessed that cash and cash equivalents and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and therefore carrying value of these instruments is considered to be the same as fair value.

NOTE 11: RELATED PARTY TRANSACTIONS

A. Name of related party and nature of relationships:

Related parties where control exists:

Sterlite Technologies Limited	Immediate Holding Company
Twinstar Overseas Limited, Mauritius	Intermediate Holding Company
Volcan Investments Limited, Bahamas	Ultimate Holding Company

Key Management Personnel (KMP)

Ankit Agarwal - Director
Kattunga Srinivasa Rao - Director (from March 5, 2021)
Mihir Modi - Director (from March 5, 2021)
Anupam Jindal - Director (up to September 11, 2020)
Navin Sharma - Director (from September 23, 2020 up to March 5, 2021)
Venkatesh Murthy - Director (from September 19, 2019 up to March 5, 2021)
Pramod Kumar Srivastava - Director (up to September 24, 2019)

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

Sterlite Technologies Limited

Particulars	Relationship	31 March 2021	31 March 2020
Reimbursement of expenses	Holding Company	7,500	10,000

C. Outstanding balances:

Particulars	Relationship	31 March 2021	31 March 2020
Sterlite Technologies Limited	Holding Company	17,500	10,000

STL DIGITAL LIMITED (FORMERLY "STERLITE TECH CONNECTIVITY SOLUTIONS LIMITED")
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

NOTE 12: FINANCIAL RISK MANAGEMENT

The Company does not have any operations. The Company's principal financial assets include cash and cash equivalents and financial liabilities are in the nature of trade payables.

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

The Risk Management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are approved and reviewed regularly by Board of Directors to reflect changes in market conditions and the Company's activities. Currently the Company has adopted the risk management policies as defined by its Holding Company to manage risk's relevant to it's operations. Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's maximum exposure to credit risk for the components of the balance sheet of 31 March 2021 and 31 March 2020 is the carrying amount of each class of financial assets.

Credit risk

The Company is exposed to credit risk arising from financial assets in the nature of cash and cash equivalents. The management manages credit risk by keeping its funds with reputed financial institutions with good credit rating. The Company has adopted risk management policies as defined by its Holding Company to manage risks relevant to its operations.

Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Company requires funds both for short term operational needs as well as for long term investment programs mainly in growth 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 operations, which in addition to the available cash and cash equivalents which 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 60 - 90 days. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Less than 3 months	Total
As at March 31, 2021		
Trade payables	135,500	135,500
	135,500	135,500
As at March 31, 2020		
Trade payables	128,000	128,000
	128,000	128,000

NOTE 13: DETAILS OF DUES TO MICRO ENTERPRISES AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

There are no Micro enterprises and Small enterprises, to whom the Company owes dues, which are outstanding as at March 31, 2021 and March 31, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been indentified on the basis of information available with the Company.

NOTE 14: CRITICAL ESTIMATES AND JUDGEMENTS

The Company presently does not have any operations and therefore no critical estimates and judgements are involved in preparation of financial statements.

NOTE 15: SEGMENT REPORTING

The Company does not have any operations and therefore there are no reportable segments.

NOTE 16: IMPACT OF COVID-19 PANDEMIC

The outbreak of Coronavirus (COVID - 19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated the impact of pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements.

NOTE 17: PREVIOUS YEAR FIGURES

Previous year numbers have been regrouped wherever necessary.

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

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For and on behalf of the Board of Directors of
STL Digital Limited

Neeraj Sharma
Partner
Membership Number: 108391

Ankit Agarwal **Mihir Modi**
Director Director
DIN: 03344202 DIN: 03401046

Place : Pune
Date : July __, 2021

Place : Pune
Date : July __, 2021

Sterlite Telesystems Limited

Financial Statements for FY 2020-21

STERLITE TELESYSTEMS LIMITED
BALANCE SHEET AS AT 31 MARCH 2021

(All amounts are in Rs. Lacs, unless otherwise stated)

	Note	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Financial assets			
Other non-current financial assets	4	0.55	0.56
Deffered tax assets (net)	5	-	-
Total Non Current Assets		0.55	0.56
Current assets			
Financial assets			
Cash and cash equivalents	6	0.63	0.63
Other current assets	7	0.53	0.43
Total Current Assets		1.16	1.06
Total Assets		1.71	1.62
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	2.00	2.00
Other Equity			
Reserves & Surplus	9	(19.84)	(16.73)
Total Equity		(17.84)	(14.73)
Non-current liabilities			
Financial liabilities			
Borrowings	10	16.49	14.74
Total Non Current Liabilities		16.49	14.74
Current liabilities			
Financial liabilities			
Trade Payables			
-Total outstanding dues of micro enterprises & small enterprises	11	-	-
-Total outstanding dues of creditors other than above		2.93	1.48
Other Current Liabilities	12	0.14	0.14
Total Current Liabilities		3.07	1.61
Total Liabilities		19.56	16.36
Total Equity & Liabilities		1.71	1.62
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Neeraj Sharma
Partner
Membership Number: 108391

Place: Pune
Date:

**For and on behalf of the board of directors of
Sterlite Telesystems Limited**

K S Rao
Director
DIN: 00022533

Place: Gurugram
Date:

Pankaj Aggarwal
Director
DIN: 08889216

Place: Pune
Date:

STERLITE TELESYSTEMS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. Lacs, unless otherwise stated)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
INCOME			
Revenue from operations		-	-
Other Income	13	-	3.04
Total Income (I)		-	3.04
EXPENSES			
Other expense	14	1.86	4.67
Total Expense (II)		1.86	4.67
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) -		(1.86)	(1.63)
Finance costs	15	1.25	1.10
Profit/(Loss) before tax		(3.12)	(2.73)
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Total tax expenses		-	-
Profit/(Loss) for the year		(3.12)	(2.73)
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(3.12)	(2.73)
Earnings per equity share			
Basic and diluted			
Computed on the basis of Profit/(Loss) for the year	16	(15.59)	(13.66)
Summary of significant accounting policies	2		

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

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

For and on behalf of the board of
Sterlite Telesystems Limited

Neeraj Sharma
Partner
Membership Number: 108391

K S Rao
Director
DIN: 00022533

Pankaj Aggarwal
Director
DIN: 08889216

Place: Pune
Date:

Place: Gurugram
Date:

Place: Pune
Date:

STERLITE TELESYSTEMS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

A. Equity share capital

	Note	No. in lacs	Rs. in lacs
Equity shares of Rs. 10 each issued, subscribed and fully paid			
As at 1 April 2019	6	0.20	2.00
Changes in equity share capital		-	-
As at March 31, 2020	6	0.20	2.00
Changes in equity share capital		-	-
As at 31 March 2021		0.20	2.00

For the year ended March 31, 2021

B. Other equity

	(Rs. in Lacs)
Particulars	Retained earnings
Balance at 1 April 2019	(14.00)
Profit/(Loss) for the year	(2.73)
Balance at 31 March 2020	(16.73)
Profit/(Loss) for the year	(3.12)
Balance at 31 March 2021	(19.85)

Summary of significant accounting policies 2

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

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
 Firm Registration No: 012754N/N500016

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

Neeraj Sharma
 Partner
 Membership Number: 108391

K S Rao
 Director
 DIN: 00022533

Pankaj Aggarwal
 Director
 DIN: 08889216

Place: Pune
 Date:

Place: Gurugram
 Date:

Place: Pune
 Date:

STERLITE TELESYSTEMS LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts are in Rs. Lacs, unless otherwise states)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
A. Operating activities			
Profit/(Loss) before tax		(3.12)	(2.73)
Adjustments to reconcile profit before tax to net cash flows			
Finance costs	15	1.25	1.10
Operating profit/(Loss) before working capital changes		(1.86)	(1.63)
Working capital adjustments:			
(Decrease)/increase in trade payables	9	1.45	(1.91)
(Decrease)/increase in other liabilities	12	(0.00)	(0.18)
(Decrease)/increase in other current financial liabilities		-	-
Decrease/(increase) in other non- current financial assets	4	0.01	3.03
Decrease/(increase) in other assets	4	(0.10)	(0.03)
Change in working capital		1.37	0.91
Cash generated from operations		(0.50)	(0.72)
Income tax paid (net of refunds)		-	-
Net cash flow from operating activities		(0.50)	(0.72)
B. Investing activities			
Net cash flow used from investing activities		-	-
C. Financing activities			
Proceeds from borrowings from Holding Company	8	0.50	0.71
Net cash flow used in financing activities		0.50	0.71
Net increase/(decrease in) cash and cash equivalents		(0.00)	(0.01)
Cash and cash equivalents as at beginning of year	6	0.63	0.64
Cash and cash equivalents as at year end	6	0.63	0.63
Components of cash and cash equivalents:			
		March 31, 2021	March 31, 2020
Balances with banks:			
On current accounts		0.63	0.63
Cash in hand			
Total cash and cash equivalents		0.63	0.63

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

Neeraj Sharma
Partner
Membership Number: 108391

Place: Pune
Date:

**For and on behalf of the board of directors of
Sterlite Telesystems Limited**

K S Rao
Director
DIN: 00022533

Place: Gurugram
Date:

Pankaj Aggarwal
Director
DIN: 08889216

Place: Pune
Date:

STERLITE TELESYSTEMS LIMITED
Notes to financial statements for the year ended 31 March 2021

NOTE 8: SHARE CAPITAL

	<u>31 March 2021</u> <u>(Rs. in lacs)</u>	<u>31 March 2020</u> <u>(Rs. in lacs)</u>
Authorised Equity Share Capital 50,000 (31 March 2020: 50,000) Equity Shares of Rs.10 each	<u>5.00</u>	<u>5.00</u>
20,000 (31 March 2020: 20,000) Equity Shares of Rs.10 each fully paid up	2.00	2.00
Total issued, subscribed and fully paid-up share capital	<u>2.00</u>	<u>2.00</u>

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

	<u>31 March 2021</u>		<u>31 March 2020</u>	
	<u>Nos in lacs</u>	<u>Rs. in lacs</u>	<u>Nos in lacs</u>	<u>Rs. in lacs</u>
At the beginning of the year	0.20	2.00	0.20	2.00
Changes in Equity Share Capital	-	-	-	-
Outstanding as at end of the year	<u>0.20</u>	<u>2.00</u>	<u>0.20</u>	<u>2.00</u>

b. Terms/rights attached to equity shares

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

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

	<u>31 March 2021</u>		<u>31 March 2020</u>	
	<u>No. in lacs</u>	<u>% holding</u>	<u>No. in lacs</u>	<u>% holding</u>
<u>Immediate holding company</u> Speedon Network Limited and its nominee shareholders	0.20	100%	0.20	100%

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

	<u>31 March 2021</u>		<u>31 March 2020</u>	
	<u>No. in lacs</u>	<u>% holding</u>	<u>No. in lacs</u>	<u>% holding</u>
Speedon Network Limited and its nominee shareholders	0.20	100%	0.20	100%

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Sterlite Telesystems Limited
Notes to financial statements for the year ended 31 March 2021

NOTE 3: CRITICAL ESTIMATES AND JUDGEMENTS

The company presently does not have any operations and therefore management has not observed any critical estimates and judgements in preparation of financial statements

NOTE 4: OTHER FINANCIAL ASSETS

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Non-current		
Security deposits	0.00	0.00
Other Receivables	0.55	0.56
Total other non-current financial assets	0.55	0.56

NOTE 5: DEFERRED TAX

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Deferred tax asset		
Total losses for the current period	3.12	2.73
Total losses for the current period on which deferred tax asset has not been recognised	(3.12)	(2.73)
Net deferred tax assets	-	-

In the current year, the company has not recognised deferred tax asset on carried forward losses as the company is not likely to generate taxable income in the foreseeable future. These unused tax losses can be carried forward as per the provisions of Income Tax Act, 1961.

The tax expense is computed as per the provisions of Income Tax Act, 1961. Statutory tax rate of 22% (March 31, 2020: 22%) is applicable to the company for the financial year ended 31 March 2021. Considering loss incurred during the year and lack of probability of future recovery of losses incurred, tax expense for the year is Nil.

NOTE 6: CASH AND CASH EQUIVALENTS

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Balances with banks:		
In current accounts	0.63	0.63
	0.63	0.63

NOTE 7: OTHER ASSETS

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Current		
Balances with government authorities	0.53	0.43
Total other current assets	0.53	0.43

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Sterlite Telesystems Limited
Notes to financial statements for the year ended 31 March 2021

NOTE 9 : OTHER EQUITY

	31 March 2021	31 March 2020
	(Rs. in lacs)	(Rs. in lacs)
Retained earnings		
Opening balance	(16.73)	(14.00)
Add: Net profit/(Loss) for the year	(3.12)	(2.73)
Total retained earnings	(19.84)	(16.73)
Total other equity	(19.84)	(16.73)

NOTE 10: BORROWINGS

	31 March 2021	31 March 2020
	(Rs. in lacs)	(Rs. in lacs)
Non -Current borrowings		
Loan from holding company (Refer Note 18)	* 16.49	* 14.74
	16.49	14.74
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	16.49	14.74
Net Amount	16.49	14.74

*The Company has obtained unsecured borrowing from holding company which carries interest at 8% p.a. (2019-20 : 8% p.a.) and the same is repayable on demand based on availability of funds with the company.

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Sterlite Telesystems Limited
Notes to financial statements for the year ended 31 March 2020

NOTE 11: TRADE PAYABLES

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Total outstanding dues of micro enterprises & small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises & small enterprises		
- Trade payable to related parties	-	-
- Others	2.93	1.48
	2.93	1.48

NOTE 12: OTHER CURRENT LIABILITIES

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Current		
Statutory Dues payable	0.14	0.14
Total current liabilities	0.14	0.14

NOTE 13: OTHER INCOME

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Liabilities written back	-	3.04
Total Other Income	-	3.04

NOTE 14: OTHER EXPENSES

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Rates and taxes	-	-
Legal & professional fees	0.11	0.63
Rent expenses	0.75	-
Payment to Auditor (refer details below)	1.00	1.00
Miscellaneous Expenses	-	3.04
Total other expenses	1.86	4.67

Payment to Auditor

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
As Auditor:		
Statutory Audit	1.00	1.00
	1.00	1.00

NOTE 15: FINANCE COST

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Interest on loan from holding company (Refer Note No:18)	1.25	1.10
Total finance cost	1.25	1.10

NOTE 16: EARNINGS PER SHARE (EPS)

The following table shows the computation of basic and diluted EPS

	31 March 2021 (Rs. in lacs)	31 March 2020 (Rs. in lacs)
Loss for the year	(3.12)	(2.73)
Weighted average number of equity shares in calculating basic EPS	20,000	20,000
Earnings per share		

Basic & Diluted (Rupees/share)

(15.59)

(13.66)

Sterlite Telesystems Limited
Notes to financial statements for the year ended 31 March 2021

NOTE 17: FAIR VALUE MEASUREMENT

The management assessed that cash and cash equivalents, trade payables and other financials current assets approximate their carrying amounts largely due to the short-term maturities of these instruments. Therefore, carrying value of these instruments is considered to be same as the fair

NOTE 18: RELATED PARTY TRANSACTIONS

A. Name of related party and nature of relationships:

Related parties where control exists:

Speedon Network Limited ('SNL')	Immediate holding company
Sterlite Technologies Limited	Intermediate holding company
Twinstar Overseas Limited, Mauritius	Intermediate holding company
Volcan Investments Limited, Bahamas	Ultimate holding company

Key Management Personnel (KMP)

K S Rao (Non-Executive Director)
Alok Mahapatra (Non-Executive Director) (from May 2, 2020)
Pankaj Aggarwal (Non-Executive Director) (from September 11, 2020)
Anupam Jindal (Non-Executive Director) (up to September 11, 2020)
Pankaj Priyadarshi (Non-Executive Director) (up to May 5, 2020)

B. Transactions with related parties during the period and outstanding balances are as follows:

	Transactions with Speedon Network Limited	
	31 March 2021	31 March 2020
	(Rs. in lacs)	(Rs. in lacs)
Transactions during the year		
Interest expense	1.25	1.10
Loans taken	0.50	0.82
Closing balances as at year end		
Loan payable	16.49	14.74

NOTE 19: FINANCIAL RISK MANAGEMENT OBJECTIVES & POLICIES

The Company does not have any operations. The Company's principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's cash flow requirements. The Company's principal financial assets include Investments, loans, trade and other receivables, cash and short-term deposits and other financial assets.

The Company is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Risk Management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are approved and reviewed regularly by Board to reflect changes in market conditions and the Company's activities.

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

All the transactions are with the financial institutions with good credit rating. The Company's maximum exposure to credit risk for the components of the balance sheet of 31 March 2021 and 31 March 2020 is the carrying amount of each class of financial assets

The Company has obtained unsecured borrowing from holding company and the same is repayable on demand based on availability of funds with the company

Credit risk

The company is exposed to credit risk arising from financial assets in the nature of cash and equivalents. The management manages credit risk by keeping its funds with reputed financial institutions with good credit rating.

Sterlite Telesystems Limited
Notes to financial statements for the year ended 31 March 2021

Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting in 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 liquidity needs. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities through obtaining funds from holding company on need basis. 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: The company manages its liquidity risk through taking loan from holding company.

	(Rs. in lacs)		
Particulars	Payable on demand	Less than 3 months	Total
As at March 31, 2021			
Trade Payables	-	2.93	2.93
	-	2.93	2.93
As at March 31, 2020			
Trade Payables	-	1.48	1.48
	-	1.48	1.48

The Company has obtained unsecured borrowing from holding company and the same is repayable on demand based on availability of funds with the

Sterlite Telesystems Limited
Notes to financial statements for the year ended 31 March 2021

NOTE 20: DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MSMED ACT, 2006

There are no Micro and Small enterprises, to whom the Company owes dues, which are outstanding as at March 31, 2021 and March 31, 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been indentified on the basis of information available with the company.

NOTE 21: SEGMENT REPORTING

The company does not have any operations and therefore there are no reportable segments.

NOTE 22: IMPACT OF COVID - 19 PANDEMIC

The outbreak of Coronavirus (COVID - 19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has evaluated the impact of pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its financial statements.

NOTE 23: PREVIOUS YEAR FIGURES

Previous year figures have been reclassified to confirm to this years classification.

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

As per our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration No: 012754N/N500016

**For and on behalf of the board of directors of
Sterlite Telesystems Limited**

Neeraj Sharma
Partner
Membership Number: 108391

Place: Pune
Date:

K S Rao
Director
DIN: 00022533

Place: Gurugram
Date:

Pankaj Aggarwal
Director
DIN: 08889216

Place: Pune
Date:

**Sterlite Technologies UK
Ventures Limited**

Financial Statements for FY 2020-21

Report of the Directors and
Financial Statements for the Year Ended 31 March 2021
for
STERLITE TECHNOLOGIES UK VENTURES LTD

STERLITE TECHNOLOGIES UK VENTURES LTD

Contents of the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2021

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STERLITE TECHNOLOGIES UK VENTURES LTD

Company Information
FOR THE YEAR ENDED 31 MARCH 2021

DIRECTORS:

A Agarwal
K S Rao
K Rowley

REGISTERED OFFICE:

Unit 5, Kingfisher House
Crayfields Business Park
NewMill Road
Orpington
BR5 3QG

REGISTERED NUMBER:

08550019 (England and Wales)

AUDITORS:

Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE

STERLITE TECHNOLOGIES UK VENTURES LTD

Report of the Directors **FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an investment company.

REVIEW OF BUSINESS

The Company has invested in Sterlite Condu spar Industrial LTDA, a 58% Joint Venture in Brazil. The Brazilian company is a manufacturer and trader of Optical Fibre Cables.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

A Agarwal
K S Rao

Other changes in directors holding office are as follows:

K Rowley - appointed 22 January 2021

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Butler & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

STERLITE TECHNOLOGIES UK VENTURES LTD

Report of the Directors
FOR THE YEAR ENDED 31 MARCH 2021

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
K Rowley - Director

Date: 14/05/2021.....

**Report of the Independent Auditors to the Members of
Sterlite Technologies UK Ventures Ltd**

Opinion

We have audited the financial statements of Sterlite Technologies UK Ventures Ltd (the 'company') for the year ended 31 March 2021 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to the COVID19 pandemic on our audit

Uncertainties related to the effects of COVID-19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

COVID-19 is one of the most significant public health, social and economic event and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for the company and this is particularly the case in relation to COVID19.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Report of the Independent Auditors to the Members of
Sterlite Technologies UK Ventures Ltd**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Report of the Independent Auditors to the Members of
Sterlite Technologies UK Ventures Ltd**

Auditors' 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries of management, concerning the company's policies and procedures relating to:
 - o Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
 - o Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.

- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of
Sterlite Technologies UK Ventures Ltd

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sanjeev Phadke (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE

Date: 14th May 2021

STERLITE TECHNOLOGIES UK VENTURES LTD

Income Statement
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
TURNOVER		-	-
Administrative expenses		<u>169,491</u>	<u>4,396</u>
OPERATING LOSS	4	(169,491)	(4,396)
Interest payable and similar expenses		<u>22,869</u>	<u>36,746</u>
LOSS BEFORE TAXATION		(192,360)	(41,142)
Tax on loss		<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(192,360)</u></u>	<u><u>(41,142)</u></u>

The notes form part of these financial statements

Balance Sheet
31 MARCH 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	4	36,729	-
Investments	5	2,100,676	2,072,447
		<u>2,137,405</u>	<u>2,072,447</u>
CURRENT ASSETS			
Debtors	6	42,406	-
Cash at bank		13,757	11,042
		<u>56,163</u>	<u>11,042</u>
CREDITORS			
Amounts falling due within one year	7	69,668	3,350
		<u>(13,505)</u>	<u>7,692</u>
NET CURRENT (LIABILITIES)/ASSETS			
		<u>(13,505)</u>	<u>7,692</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,123,900</u>	<u>2,080,139</u>
CREDITORS			
Amounts falling due after more than one year	8	2,498,718	2,262,597
		<u>(374,818)</u>	<u>(182,458)</u>
NET LIABILITIES			
		<u>(374,818)</u>	<u>(182,458)</u>
CAPITAL AND RESERVES			
Called up share capital	9	3,150	3,150
Retained earnings	10	(377,968)	(185,608)
		<u>(374,818)</u>	<u>(182,458)</u>
SHAREHOLDERS' FUNDS			
		<u>(374,818)</u>	<u>(182,458)</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were authorised for issue by the Board of Directors and authorised for issue on14/05/2021..... and were signed on its behalf by:


.....
K Rowley - Director

The notes form part of these financial statements

STERLITE TECHNOLOGIES UK VENTURES LTD

Notes to the Financial Statements FOR THE YEAR ENDED 31 MARCH 2021

1. STATUTORY INFORMATION

Sterlite Technologies UK Ventures Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements have been prepared on a going concern basis on the assumption that the company will continue to trade in the foreseeable future. The Directors, having made appropriate enquiries, consider that adequate resources exist for the company to continue in operational existence for the foreseeable future; and with the continued support of the company's shareholders, the company will be able to meet its liabilities as they fall due for payment. Therefore, the directors are of the opinion that it is appropriate to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2021.

Since the financial year end, there are uncertainties relating to COVID19 pandemic. No provisions have been made in the financial statements in relation to these uncertainties.

Key sources of estimation uncertainty and judgements

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgement that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reported period.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 2 years
Computer equipment	- 2 years

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less impairment.

STERLITE TECHNOLOGIES UK VENTURES LTD

Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 MARCH 2021

2. ACCOUNTING POLICIES - continued

Financial instruments policy

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the company's cash management.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 12 (2020 - NIL).

4. OPERATING LOSS

The operating loss is stated after charging:

	2021	2020
	£	£
Depreciation - owned assets	1,484	-
	<u> </u>	<u> </u>

STERLITE TECHNOLOGIES UK VENTURES LTD

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2021

5. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
Additions	6,713	31,500	38,213
At 31 March 2021	<u>6,713</u>	<u>31,500</u>	<u>38,213</u>
DEPRECIATION			
Charge for year	883	601	1,484
At 31 March 2021	<u>883</u>	<u>601</u>	<u>1,484</u>
NET BOOK VALUE			
At 31 March 2021	<u>5,830</u>	<u>30,899</u>	<u>36,729</u>

6. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 April 2020	2,072,447
Additions	28,229
At 31 March 2021	<u>2,100,676</u>
NET BOOK VALUE	
At 31 March 2021	<u>2,100,676</u>
At 31 March 2020	<u>2,072,447</u>

The above investment represents a 58% holding in Sterlite Condu spar Industrial LTDA, a company incorporated in Brazil.

These financial statements contain information about Sterlite Technologies UK Ventures Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 401 of the Companies Act 2006 as the company itself is a subsidiary undertaking and its parent undertaking is not established under the law of an EEA state. The company is included in consolidated accounts of its parent company.

7. **DEBTORS**

	2021 £	2020 £
Amounts falling due within one year:		
Other debtors	<u>27,441</u>	<u>-</u>

STERLITE TECHNOLOGIES UK VENTURES LTD

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2021

7.	DEBTORS - continued		
		2021	2020
		£	£
	Amounts falling due after more than one year:		
	Other debtors	14,965	-
		<u> </u>	<u> </u>
	Aggregate amounts	42,406	-
		<u> </u>	<u> </u>

8.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		2021	2020
		£	£
	Trade creditors	41,870	-
	Other creditors	27,798	3,350
		<u> </u>	<u> </u>
		69,668	3,350
		<u> </u>	<u> </u>

9.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
		2021	2020
		£	£
	Amounts owed to group undertakings	2,498,718	2,262,597
		<u> </u>	<u> </u>

The parent company has provided a line of credit of \$ 3,500,000. As at the year end a sum of £2,498,718 (2020: £2,262,597) has been drawn. Interest is payable at the rate of LIBOR+0.75% and LIBOR + 1%

The amount drawn is repayable on demand. However, the lender has confirmed that the amount outstanding will not be recalled within the next 12 months.

10.	CALLED UP SHARE CAPITAL			
	Allotted, issued and fully paid:			
	Number:	Class:	Nominal value:	
				2021
				2020
				£
				£
	5,000	Ordinary	Euro1	3,150
				<u> </u>
				<u> </u>

11.	RESERVES			
				Retained earnings
				£
	At 1 April 2020			(185,608)
	Deficit for the year			(192,360)
				<u> </u>
	At 31 March 2021			(377,968)
				<u> </u>

STERLITE TECHNOLOGIES UK VENTURES LTD

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2021

12. RELATED PARTY DISCLOSURES

As at 31 March 2021 the company owed a sum of £2,498,718 (2020: £2,262,597) to Sterlite Technologies Ltd (the ultimate parent company). Interest payable on this loan was £22,869 (2020: £36,746).

There are no fixed terms as to repayment of these balances.

13. PARENT COMPANY

The company is wholly-owned subsidiary of Sterlite Technologies Limited a company incorporated in India.

STERLITE TECHNOLOGIES UK VENTURES LTD

Detailed Profit and Loss Account
FOR THE YEAR ENDED 31 MARCH 2021

	2021		2020	
	£	£	£	£
Income		-		-
Expenditure				
Rates and water	5,198		-	
Insurance	1,451		-	
Wages	60,296		-	
Social security	6,907		-	
Pensions	4,807		-	
Telephone	365		-	
Post and stationery	2,922		-	
Motor expenses	1,688		-	
Training & Seminar	2,223		-	
Repairs and renewals	4,393		-	
Staff Welfare	242		-	
Office Maintenance	20,739		-	
Recruitment expenses	14,390		-	
Computer costs	7,091		-	
Sundry expenses	33		-	
Accountancy	1,200		-	
Subscriptions	195		-	
Legal and Professional fees	22,544		-	
Auditors' remuneration	5,033		4,342	
Foreign exchange losses	5,702		-	
	<u>167,419</u>		<u>4,342</u>	
		(167,419)		(4,342)
Finance costs				
Bank charges	588		54	
Other interest	22,869		36,746	
	<u>23,457</u>		<u>36,800</u>	
		(190,876)		(41,142)
Depreciation				
Plant and machinery	601		-	
Fixtures and fittings	883		-	
	<u>1,484</u>		<u>-</u>	
NET LOSS		<u>(192,360)</u>		<u>(41,142)</u>

This page does not form part of the statutory financial statements

**Vulcan Data Centre
Solutions Ltd**

**Financial for the period ended March
31, 2021**

Company Registration No. 09621145 (England and Wales)

VULCAN DATA CENTRE SOLUTIONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



Sobell Rhodes LLP
The Kinetic Centre
Theobald Street
Elstree
Borehamwood
Hertfordshire
WD6 4PJ

VULCAN DATA CENTRE SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	B R J Parker K S Rao P Aggarwal	(Appointed 6 October 2020)
Company number	09621145	
Registered office	C/o Sobell Rhodes LLP The Kinetic Centre Theobald Street Elstree, Borehamwood Hertfordshire United Kingdom WD6 4PJ	
Auditor	Sobell Rhodes LLP Chartered Accountants C/o Sobell Rhodes LLP The Kinetic Centre Theobald Street Elstree, Borehamwood WD6 4PJ	

VULCAN DATA CENTRE SOLUTIONS LIMITED

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VULCAN DATA CENTRE SOLUTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company continued to be that of providing data centre services and products.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

B R J Parker

A Jindal

(Resigned 11 September 2020)

K S Rao

P Aggarwal

(Appointed 6 October 2020)

Auditor

In accordance with the company's articles, a resolution proposing that Sobell Rhodes LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

B R J Parker

Director

17 March 2021

VULCAN DATA CENTRE SOLUTIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

VULCAN DATA CENTRE SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VULCAN DATA CENTRE SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Vulcan Data Centre Solutions Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

VULCAN DATA CENTRE SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VULCAN DATA CENTRE SOLUTIONS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 ISAs (UK) 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.

VULCAN DATA CENTRE SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VULCAN DATA CENTRE SOLUTIONS LIMITED

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We enquired of Management to obtain an understanding of the legal and regulatory frameworks that are applicable to the Company. The most significant that are relevant to the Company are United Kingdom Generally Accepted Accounting Practice, The Companies Act 2006 and the tax legislation in respect of Corporation tax, VAT and PAYE. We understood how the Company complies with these through enquiries of management and asked of any instances of non-compliance in these areas.

We assessed the susceptibility of the Company's financial statements to material misstatements, including how fraud might occur through enquiries of Management and to understand where they considered there was susceptibility to fraud. We obtained an understanding of the controls that the Company has established to address the risk to prevent, deter, and detect fraud.

Based on this understanding we designed our audit procedures to detect irregularities including fraud which primarily consisted of the following:

1. Identifying and testing of journal entries including large and unusual transactions to understand their rationale.
2. Enquiries of management and those charged with governance on instances any known fraud and around actual and potential litigation claims.
3. Enquiries of the tax engagement team that are independent of the audit team for instances of non-compliance.

The Senior Statutory Auditor reviewed the experience and expertise of the audit engagement team to ensure that they had the appropriate competence and capabilities to identify any instances of fraud and non-compliance with the relevant laws and regulations.

The objective of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risk of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

VULCAN DATA CENTRE SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VULCAN DATA CENTRE SOLUTIONS LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Shelley (Senior Statutory Auditor)
For and on behalf of Sobell Rhodes LLP

24 March 2021

Chartered Accountants
Statutory Auditor

The Kinetic Centre
Theobald Street
Elstree
Borehamwood
Hertfordshire
United Kingdom
WD6 4PJ

VULCAN DATA CENTRE SOLUTIONS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Turnover	-	1,000,352
Cost of sales	-	(619,090)
	<hr/>	<hr/>
Gross profit	-	381,262
Administrative expenses	(287,797)	(26,890)
	<hr/>	<hr/>
Operating (loss)/profit	(287,797)	354,372
Interest payable and similar expenses	-	(5)
	<hr/>	<hr/>
(Loss)/profit before taxation	(287,797)	354,367
Tax on (loss)/profit	-	(67,468)
	<hr/>	<hr/>
(Loss)/profit for the financial year	(287,797)	286,899
Retained earnings brought forward	292,194	145,295
Dividends	-	(140,000)
	<hr/>	<hr/>
Retained earnings carried forward	4,397	292,194
	<hr/> <hr/>	<hr/> <hr/>

VULCAN DATA CENTRE SOLUTIONS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	3		887		887
Tangible assets	4		-		7,031
			<u>887</u>		<u>7,918</u>
Current assets					
Debtors	5	1,900		184,893	
Cash at bank and in hand		12,363		268,192	
		<u>14,263</u>		<u>453,085</u>	
Creditors: amounts falling due within one year	6	(9,700)		(167,756)	
Net current assets			4,563		285,329
Total assets less current liabilities			<u>5,450</u>		<u>293,247</u>
Provisions for liabilities			(953)		(953)
Net assets			<u>4,497</u>		<u>292,294</u>
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			4,397		292,194
Total equity			<u>4,497</u>		<u>292,294</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 17 March 2021 and are signed on its behalf by:

B R J Parker
Director

Company Registration No. 09621145

VULCAN DATA CENTRE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Vulcan Data Centre Solutions Limited is a private company limited by shares incorporated in England and Wales. The registered office is C/o Sobell Rhodes LLP, The Kinetic Centre, Theobald Street, Elstree, Borehamwood, Hertfordshire, United Kingdom, WD6 4PJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation, even after an assessment of the impact of Covid-19, that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover comprises the fair value of the consideration received or receivable for the sale of structural cable installations in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% reducing balance
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VULCAN DATA CENTRE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Debtors

Basic financial assets, including trade and other debtors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Creditors

Basic financial liabilities, including trade and other creditors, loans from third parties and loans from related parties, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Such instruments are subsequently carried at amortised cost using the effective interest method, less any impairment.

1.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.7 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

VULCAN DATA CENTRE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	3	3

3 Intangible fixed assets

	Digital asset £
Cost	
At 1 January 2020 and 31 December 2020	887
Amortisation and impairment	
At 1 January 2020 and 31 December 2020	-
Carrying amount	
At 31 December 2020	887
At 31 December 2019	887

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2020	15,528
Disposals	(15,528)
At 31 December 2020	-
Depreciation and impairment	
At 1 January 2020	8,497
Depreciation charged in the year	1,089
Eliminated in respect of disposals	(9,586)
At 31 December 2020	-
Carrying amount	
At 31 December 2020	-
At 31 December 2019	7,031

VULCAN DATA CENTRE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	-	184,893
Other debtors	1,900	-
	<u>1,900</u>	<u>184,893</u>

6 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	5,700	66,454
Corporation tax	-	67,966
Other taxation and social security	-	30,836
Other creditors	4,000	2,500
	<u>9,700</u>	<u>167,756</u>

7 Related party transactions

The company has taken advantage of the exemption contained in FRS102 section 1AC.35 from disclosing transactions and balances with other wholly owned group entities.

On the 1st January 2020, as part of a group restructure, the trade and assets of Vulcan Data Centres Limited, were transferred to Impact Data Systems Limited. The resulting inter-company loan between the two parties amounted to £266,350, has been written off to the profit and loss account during the year in both companies. The write off forms part of operating profit.

8 Parent company

The Company is a subsidiary of Sterlite Global Ventures (Mauritius) Limited.

The parent company of the smallest group for which consolidated accounts are prepared is Sterlite Technologies Limited.

The registered office and details of where consolidated accounts can be publicly viewed can be found here: www.stl.tech/downloads/subsidiary

The ultimate parent company is Volcan Investments Limited. The registered office of which is as follows:

C/O Elco Corporate Services Limited
Loyalist Plaza, Don Mackay Boulevard
PO Box AB 20377
March Harbour BS-CO-BS
Island of Abaco
Bahamas

VULCAN DATA CENTRE SOLUTIONS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019
	£	£	£	£
Turnover				
Sales of goods		-		1,000,352
Cost of sales				
Purchases	-		581,024	
Subcontract labour	-		38,066	
		-		(619,090)
Gross (loss)/profit		-		381,262
Administrative expenses				
Insurance	271		263	
Computer running costs	272		772	
Travelling expenses	-		5,913	
Legal and professional fees	-		704	
Accountancy	413		2,938	
Audit fees	13,650		-	
Bank charges	79		141	
Loan balance written off	266,350		-	
Telecommunications	14		96	
Entertainment	-		613	
Sundry expenses	-		253	
Depreciation	1,423		2,344	
Profit or loss on disposal of tangible assets	4,270		-	
Profit or loss on foreign exchange	1,055		12,853	
		(287,797)		(26,890)
Operating (loss)/profit		(287,797)		354,372
Interest payable and similar expenses				
Interest payable		-		(5)
(Loss)/profit before taxation		(287,797)		354,367

STERLITE TECHNOLOGIES DMCC

**AUDIT REPORT AND ANNUAL FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH, 2021**

STERLITE TECHNOLOGIES DMCC

Dubai- United Arab Emirates

Financial Statements and Independent Auditor's Report for the Period Ended 31 March, 2021

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STERLITE TECHNOLOGIES DMCC

COMPANY INFORMATION

Principal Business

M/s. Sterlite Technologies DMCC (the Company) was incorporated on July 6, 2020 and operates in the United Arab Emirates under the service and trade licenses issued by the Dubai Multi Commodities Center Authority, Government of Dubai, United Arab Emirates.

License Details

Service License No. DMCC-779983

Trading License No. DMCC-779984

Licensing Activities

Software House

Network Consultancies

Information Technology Consultants

Fiber Optic Products & Requisites Trading

Shareholder

Sterlite Technologies Limited

Directors

Mr. Kattunga Srinivasa Rao

Mr. Rahul Puri

Mr. Radheshyam Soni

Manager

Mr. Raghupathi Reddy

Banker

CITI Bank

Registered Address

Unit No: 1109, 1101

The Dome Tower

Plot No: JLT-PH1-N1

Jumeirah Lakes Towers

Dubai, United Arab Emirates

Auditors

Hallmark International Auditing of Accounts

License No. 719686

Dubai, U.A.E.

Tel: +971-04-2599055

Email: info@hallmarkauditors.com



STERLITE TECHNOLOGIES DMCC

DUBAI, UAE

MANAGEMENT REPORT

The management is pleased to present their report on the business and operations of the Company together with the Audited Financial Statements for the period ended on 31 March 2021.

Principal Activities and Address

The Principal activities of the Company are Software House, Network Consultancies and Information Technology Consultants under the service license No. DMCC-779983 and Fiber Optic Products & Requisites Trading under the Trade License No. DMCC-779984 and the registered address is at Unit No: 1109, 1101, The Dome Tower, Plot No: JLT-PH1-N1, Jumeirah Lakes Towers, Dubai, United Arab Emirates.

Business Review

For the period, the company had recorded revenue of AED 1,726,878/- and the Net Loss for the period was AED 1,413,832/-.

Events Subsequent to the Balance Sheet Date

There were no major events which occurred since the period end that materially affect the financial position of the company.

Auditors

The financial statements have been audited by Hallmark International Auditing of Accounts who retire and, being eligible, offer themselves for appointment.

Acknowledgement

The company takes this opportunity to place on record their gratitude to the various government departments, banks, professionals and business associates for their continued assistance and support extended to the entity. The Company also wish to express their appreciation to the employees at all levels for their hard work, dedication & commitment.

For Sterlite Technologies DMCC



Mr. Kattunga Srinivasa Rao
Director



Mr. Rahul Puri
Director

Dubai

Date: 26.05.2021

The Shareholder,
Sterlite Technologies DMCC
Dubai, United Arab Emirates

INDEPENDENT AUDITOR'S REPORT

Report on the audit of the financial statements of M/s. Sterlite Technologies DMCC for the period ended 31 March, 2021.

OPINION:

We have audited the accompanying financial statements of **M/s. Sterlite Technologies DMCC**, ("the Company"), Dubai, UAE, which comprise of the Statement of Financial Position, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards (IFRS) as adopted in the United Arab Emirates ("U.A.E").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at **March 31, 2021** and of the results of its operations for the period ended are in accordance with International Financial Reporting Standards.

BASIS FOR OPINION:

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the entity's financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities requirements in accordance with these requirements and IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RESPONSIBILITIES OF THE MANAGEMENT FOR THE FINANCIAL STATEMENTS:

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and their preparation in compliance with the implementing regulations of DMCC authority, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the management is responsible for assessing the company's ability to continue as a going concern, 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 charged with governance are responsible for overseeing the company's financial reporting process.

Continued...

INDEPENDENT AUDITOR'S REPORT

(Continued)

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 ISAs 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 ISAs, 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 risk, 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 the 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, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- 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 Entity's ability to continue as a going concern. 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 Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Entity and business activities within the Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Entity audit. We remain solely responsible for our audit opinion.

Continued...

INDEPENDENT AUDITOR'S REPORT

(Continued)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED):

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the UAE Federal Law No. (2) of 2015, we report that:

1. We have obtained all the information and explanations we considered necessary for the purposes of our audit;
2. The company has maintained proper books of account.
3. Activities undertaken by company are not different than activities permitted under license issued by DMCCA.

We confirm that the financial statements comply with provisions of Implementing Regulation No.1/03 issued by the Dubai Multi Commodities Centre.

Hallmark International Auditors



Professional License No. 719686
Auditor's Registration Number: 720
Dubai, UAE

Date: 14 June, 2021

STERLITE TECHNOLOGIES DMCC

Statement of Financial Position
As at March 31, 2021

	Note	31-Mar-21 AED
ASSETS		
Non Current Assets		
Property, Plant and Equipment	5	164,657
Capital Work-In-Progress	6	467,786
		<u>632,443</u>
Current Assets		
Deposits, Advances & Prepayments	7	1,394,744
Other Receivables	8	7,861
Due from Related Party	11	1,017,434
Cash and Bank Balances	9	2,788,602
		<u>5,208,641</u>
TOTAL ASSETS		<u><u>5,841,084</u></u>
SHAREHOLDER'S FUND AND LIABILITIES		
Shareholder's Equity		
Share Capital		50,000
Accumulated Losses		(1,413,832)
		<u>(1,363,832)</u>
Non Current Liabilities		
Employees' End of Service Benefits		10,008
Loan from Related Party	11	3,774,252
		<u>3,784,260</u>
Current Liabilities		
Trade & Other Payables	10	3,325,971
Accruals	12	94,685
		<u>3,420,656</u>
TOTAL EQUITY AND LIABILITIES		<u><u>5,841,084</u></u>

The annexed notes form an integral part of these financial statements.

For Sterlite Technologies DMCC

Mr. Kattunga Srinivasa Rao
Director



Mr. Rahul Puri
Director

STERLITE TECHNOLOGIES DMCC

Statement of Comprehensive Income

For the period from July 6, 2020 (Inception) to March 31, 2021

	Note	From 06-Jul-2020 to 31-Mar-2021
		AED
Revenue	13	1,726,878
Cost of Revenue		(449,919)
Gross Profit		1,276,959
General & Administrative Expenses	15	(2,648,967)
Finance Costs	16	(41,824)
Profit/ (Loss) for the Period		(1,413,832)
Other Comprehensive Income		-
Total Comprehensive Income/(Loss) for the Period		(1,413,832)

The annexed notes form an integral part of these financial statements.

For Sterlite Technologies DMCC



Mr. Kattunga Srinivasa Rao
Director



Mr. Rahul Puri
Director



STERLITE TECHNOLOGIES DMCC

Statement of Changes in Equity

For the period from July 6, 2020 (Inception) to March 31, 2021

	Share Capital	Accumulated Losses	Total
	AED	AED	AED
Share Capital introduced	50,000	-	50,000
Profit/(Loss) for the period	-	(1,413,832)	(1,413,832)
As at 31 March, 2021	50,000	(1,413,832)	(1,363,832)

The annexed notes form an integral part of these financial statements.

For Sterlite Technologies DMCC

Mr. Kattunga Srinivasa Rao
Director

Mr. Rahul Puri
Director



STERLITE TECHNOLOGIES DMCC

Statement of Cash Flows

For the period from July 6, 2020 (Inception) to March 31, 2021

From 06-Jul-2020 to
31-Mar-2021

AED

I. OPERATING ACTIVITIES

Profit/ (Loss) for the Period	(1,413,832)
<i>Adjustment For:</i>	
Depreciation	9,922
Employees' End of Service Benefits	10,008
Operating Cash flow before working capital changes	(1,393,902)
<i>Changes in working capital</i>	
(Increase) in Deposits, Advances & Prepayments	(1,394,744)
(Increase) in Other Receivables	(7,861)
(Increase) in Due from Related Party	(1,017,434)
Increase in Trade & Other Payables	3,325,971
Increase in Accruals	94,685
Net cash flows from / (used in) Operating Activities(A)	(393,285)

II. INVESTING ACTIVITIES

Purchase of Property, Plant & Equipment	(174,579)
Investment in new Office Infrastructure	(467,786)
Net cash flows from / (used in) Investing Activities(B)	(642,365)

III. FINANCING ACTIVITIES

Share Capital introduced	50,000
Loan from Related Party	3,774,252
Net cash flows from / (used in) Financing Activities(C)	3,824,252

INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS(A+B+C) **2,788,602**

Cash and cash equivalents at the beginning of the period -

CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD **2,788,602**


The annexed notes form an integral part of these financial statements.

For Sterlite Technologies DMCC



Mr. Kattunga Srinivasa Rao
Director





Mr. Rahul Puri
Director

STERLITE TECHNOLOGIES DMCC

Notes to the Financial Statements

For the period from July 6, 2020 (Inception) to March 31, 2021

These financial statements have been prepared for the period from July 06, 2020 to 31 March, 2021.

1 LEGAL STATUS, ACTIVITIES AND MANAGEMENT

1.1 Legal Status

Sterlite Technologies DMCC (the Company) was incorporated on 06th July 2020 vide service license no. DMCC-779983 and trade license no. DMCC-779984 issued by Dubai Multi Commodities Centre Authority, Government of Dubai, United Arab Emirates.

1.2 Activities & Address

The Principal activities of the Company are Software House, Network Consultancies and Information Technology Consultants under the service license No. DMCC-779983 and Fiber Optic Products & Requisites Trading under the Trade License No. DMCC-779984 and the registered address is at Unit No: 1109, 1101, The Dome Tower, Plot No: JLT-PH1-N1, Jumeirah Lakes Towers, Dubai, United Arab Emirates.

1.3 Management

The company was managed by "Raghupathi Reddy Pabathireddy", an Indian national, throughout the period from 06/07/2020.

1.4 Share Capital

The Authorised, Issued and Paid up Share Capital of the company is AED 50,000/- at AED 1,000/- per share.

Name of Shareholder	No. of Shares	% of Shareholding	Amount (AED)
Sterlite Technologies Limited	50	100%	50,000
	<u>50</u>	<u>100%</u>	<u>50,000</u>

2 Adoption of new and revised International Financial Reporting Standards and Interpretations

2.1 Standards and Interpretations effective in the current year

The Company has adopted the following new and amended IFRS in these financial statements.

	<i>Effective for annual periods beginning</i>
Amendments to IAS 1 and IAS 8 Definition of Material	January 01, 2020
Amendments to IFRS 3 Definition of a Business	January 01, 2020
Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate benchmark reform	January 01, 2020
Revised Conceptual Framework for Financial Reporting	January 01, 2020

Amendments to IAS 1 and IAS 8 Definition of Material

These amendments provide a new definition of material that states, "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materially will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments do not have any impact on these financial statements.

Notes to the Financial Statements for the period ended March 31, 2021

Amendments to IFRS 3 Definition of a Business

Amendments to IFRS 3: Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments do not have any impact on these financial statements.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate benchmark reform

The Amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedge relationship is affected if the reform gives rise to uncertainty about the timing and / or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

These amendments do not have any impact on these financial statements as the company do not have any interest rate hedge relationships.

Revised Conceptual Framework for Financial Reporting

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The concept of the Contractual Framework is to assist the IASB in developing standards, to help prepares develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The Revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

These amendments do not have any impact on these financial statements.

2.2 New and revised IFRS in issue but not effective and not early adopted

The following standards, amendments thereto and interpretations have been issued prior to December 31, 2020 but have not been applied in these financial statements as their effective dates of adoption are for future periods. The impact of the adoption of the below standards is currently being assessed by the management. It is anticipated that their adoption in the relevant accounting periods will impact only the disclosures within the financial statements.

	<i>Effective for annual periods beginning</i>
Amendment to IFRS 16 Covid-19-Related Rent Concessions	June 01, 2020
Amendments to IFRS 3 Reference to the Conceptual Framework	January 01, 2022
Amendments to IAS 16 Property, Plant and Equipment : Proceeds before Intended Use	January 01, 2022
Amendments to IAS 37 - Onerous Contracts – Cost of Fulfilling a Contract	January 01, 2022
IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter.	January 01, 2022
IFRS 9 Financial Instruments - Fees in the '10 percent ' test for derecognition of financial liabilities.	January 01, 2022
IAS 41 Agriculture - Taxation in fair value measurements.	January 01, 2022

Notes to the Financial Statements for the period ended March 31, 2021

2.2 New and revised IFRS in issue but not effective and not early adopted (Continued)

	<i>Effective for annual periods beginning</i>
IFRS 17 Insurance Contracts	January 01, 2023
Amendments to IAS 1: Classification of Liabilities as current and non current	January 01, 2023
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	Indefinitely deferred

3 Basis of Presentation and significant accounting policies

3.1 Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) promulgated by the International Accounting Standards Board (IASB) and requirements of UAE Federal Law No. 2 of 2015.

3.2 Basis of measurement

The financial statements are prepared under the historical cost convention.

Historical cost is generally based on the fair value of the consideration given in exchange of goods and services. 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

3.3 Functional and Presentation currency

These financial statements are prepared and items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). These financial statements are presented in Arab Emirates Dirhams (AED), which is the company's functional and presentation currency.

3.4 Foreign Currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost, or year-end exchange rates if held at fair value, and the resulting foreign exchange gains and losses are recognised in either the income statement or shareholders' equity depending on the treatment of the gain or loss on the asset or liability.

3.5 Property, Plant and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes the expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Notes to the Financial Statements for the period ended March 31, 2021

3.5 Property, Plant and Equipment (Continued)

The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are recognized in the income statement during the financial period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Nature of the Assets	Rate of Depreciation
Furniture & Fixtures	20%

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. At each balance sheet date, assets are also assessed for indicators of impairment. In the event that an asset's carrying amount is determined to be greater than its recoverable amount, the asset is written down immediately to the recoverable amount.

Gains and losses on disposals or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying value of the asset and is recognized in the income statement.

3.6 Impairment of non-financial assets

Assets that have an indefinite useful life, for example, goodwill or intangible assets not ready to use, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

3.7 Financial Instruments

Financial assets and financial liabilities recognized when the company becomes party to the contractual provisions of the Instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisitions of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

3.8 Current and non-current classification

The company presents assets and liabilities in the statement of financial position based on current/non current classification.

An asset is current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle.
- held primarily for the purpose of trading.
- expected to be realized within 12 months after the reporting period.
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 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 normal operating cycle.

Notes to the Financial Statements for the period ended March 31, 2021

3.8 Current and non-current classification (Continued)

- it is held primarily for the purpose of trading.
- it is due to be settled within 12 months after the reporting period.
- there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The company classifies all other liabilities as non-current.

3.9 Revenue Recognition

Revenue from contracts with customers

IFRS 15 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several Standards and Interpretations within IFRSs. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

- | | |
|--------|---|
| Step 1 | Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations. |
| Step 2 | Identify the performance obligations in the contract; A performance obligation in a contract is a promise to transfer a good or service to the customer. |
| Step 3 | Determine the transaction price; Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods and services to a customer, excluding amounts collected on behalf of third parties. |
| Step 4 | Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation. |
| Step 5 | Recognize revenue as and when the Company satisfies a performance obligation. |

The Company recognizes revenue over time if any one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance obligation completed to date.

In cases where the Company determined the performance obligations are satisfied at a point in time, revenue is recognized when control over the assets is transferred to the customer.

When the Company satisfies a performance obligation by delivering the promised goods and services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized, this gives rise to a contract liability.

Notes to the Financial Statements for the period ended March 31, 2021

3.9 Revenue Recognition (Continued)

Revenue is measured at the fair value of consideration received or receivable, taking into account the contractually agreed terms of payment excluding taxes and duties. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent and has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue from trading

The company's contracts with customers for sale of goods generally include one performance obligation. The company has concluded that revenue from sale of goods should be recognized at the point in time when the control of goods is transferred to the customer, generally on delivery of goods. The company neither directs the use of the goods nor it takes any benefits from the sold goods.

Revenue from services

The company is providing technical assistance services and revenue against such services is recognized at a point in time upon completion and satisfies the performance obligation in line with the terms of contract with the customers.

3.10 Direct expenses

Direct expenses include direct operating expenses incurred in generating the revenue. Expenses that are not immediately attributable to the generating of revenue are not included in the gross profit as reported. Direct expenses are recognized over the term that the associated revenue is recognized.

3.11 Finance cost

Finance cost is recognized as an expense in the period in which it is incurred.

3.12 Value added tax

As per the Federal Decree-Law No. (08) of 2017, effective from 1 January 2018, Value Added Tax (VAT), will be charged at 5% standard rate or 0% (as the case may be) on every taxable supply and deemed supply made by the taxable person. The company is required to file its VAT returns and compute the payable tax (which is output tax less input tax) for the allotted tax periods and deposit the same within the prescribed due dates of filing VAT return and tax payment.

3.13 Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balance and short term deposits with an original maturity of three months or less, net of outstanding bank overdrafts, if any.

4 Significant judgements and estimated uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4.1 Judgements

In the process of applying the company's accounting policies, which are described in note 3 to the financial statements, management has made the following judgments that have most significant effect on the amounts recognized in the financial statements (apart from those involving estimations, which are dealt with below:

4.1.1 Revenue recognition

The management considers recognizing revenue over time; if one of the following criteria is met, otherwise, revenue will be recognized at a point in time:

Notes to the Financial Statements for the period ended March 31, 2021

4 Significant judgements and estimated uncertainty (Continued)

4.1.1 Revenue recognition (Continued)

- the customer simultaneously receives and consumes the benefits provided by the company's performance as the company performs;
- the company's performance creates or enhances an asset that the customer control as the asset is created or enhanced; or
- the company's performance does not create an asset with an alternative use to the entity, and the entity has an enforceable right to payment for performance completed to date.

4.1.2 Contingencies

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognized on the balance sheet of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

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 disclosure of contingent liabilities at the end of each reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

4.1.3 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 indications exist, or when annual impairment testing for an asset is required, the company estimates the assets recoverable amount.

The fair value less costs of disposal calculating is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental cost for disposing of the asset.

The value in use calculation is based on a DCF model and requires estimation of the expected future cash flows from the asset (or of the cash-generating unit) in the forecast period and also to determine a suitable discount rate in order to calculate the present value of those cash flows. The discount rate reflects the current market assessment of the time value of money and the risks specific to the asset.

STERLITE TECHNOLOGIES DMCC

Notes to the Financial Statements

For the period from July 6, 2020 (Inception) to March 31, 2021

5 PROPERTY, PLANT AND EQUIPMENT (in United Arab Emirates Dirhams)

Particulars	Furniture & Fixtures	Total
Cost		
As on July 06, 2020	-	-
Addition	174,579	174,579
(Disposal)	-	-
As on 31 March, 2021	174,579	174,579
Accumulated depreciation		
As on July 06, 2020	-	-
Charge for the period	9,922	9,922
Deductions	-	-
As on 31 March, 2021	9,922	9,922
Net Book Value		
As on 31 March, 2021	164,657	164,657
As on July 06, 2020	-	-

The Company reviews the carrying value of its fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The impairment is measured as the amount by which the carrying value exceeds the fair value of the asset as determined by an estimate of undiscounted cash flows.

	31-Mar-21 (in AED)
6 CAPITAL WORK-IN-PROGRESS	
Office Infrastructure	467,786
	467,786
7 DEPOSITS, ADVANCES & PREPAYMENTS	
Security Deposits	4,994
Other Advances	416,363
Prepayments	973,386
	1,394,744
8 OTHER RECEIVABLES	
Other Receivables	7,861
	7,861

STERLITE TECHNOLOGIES DMCC

Notes to the Financial Statements

For the period from July 6, 2020 (Inception) to March 31, 2021

	31-Mar-21		
	<i>(in AED)</i>		
9 CASH AND BANK BALANCES			
CITI Bank (USD)	2,329,948		
CITI Bank (AED)	458,654		
	<u>2,788,602</u>		
10 TRADE & OTHER PAYABLES			
Accounts Payable	1,101,490		
Unearned Revenue	2,224,481		
	<u>3,325,971</u>		
11 RELATED PARTIES			
<p>The company enters into transactions with parties that fall within the definition of a related party as contained in International Accounting Standard 24. Related parties include the shareholders, key management personnel, subsidiaries, associates, joint ventures and any business which are controlled directly or indirectly by the company or over which they exercise significant management influence. The balance due from such parties, which have been disclosed separately in the financial statements, are unsecured, interest free and are repayable on demand.</p> <p>Related party balances are as under:</p>			
<u>Due from Related Party</u>	<u>Nature of Relationship</u>	<u>Nature of Transaction</u>	
Sterlite Technologies Limited	Holding Company	Revenue	1,017,434
			<u>1,017,434</u>
<p>* Due from related party represents the income receivable for project management services provided to the Indian parent company , as per transfer pricing rules.</p>			
<u>Loan from Related Party</u>	<u>Nature of relationship</u>		
Sterlite Technologies Limited	Holding Company		3,774,252
			<u>3,774,252</u>
12 ACCRUALS			
Staff & Social Debts Payable			94,685
			<u>94,685</u>
			From 06-Jul-2020 to 31-Mar-2021
			AED
13 REVENUE			
Sales Revenue			709,444
Other Income			1,017,434
			<u>1,726,878</u>

STERLITE TECHNOLOGIES DMCC

Notes to the Financial Statements

For the period from July 6, 2020 (Inception) to March 31, 2021

From 06-Jul-2020
to 31-Mar-2021

AED

13 REVENUE (Continued)

* Other Income represents the income from Indian parent company, Sterlite Technologies Limited, for project management services provided, as per transfer pricing rules.

The geographical analysis of revenue for the period as follows:

Within UAE	-
Outside UAE	1,726,878
	<u>1,726,878</u>

14 COST OF REVENUE

Purchases and other Direct Expenses	449,919
	<u>449,919</u>

15 GENERAL & ADMINISTRATIVE EXPENSES

Salaries and other Employee Benefits	1,956,385
License, Legal and Professional Expenses	82,281
Rent	41,355
Sales Commission	218,404
Printing & Stationery	2,507
Insurance	117,079
Travelling & Conveyance	62,903
Utilities & Communication	31,057
Postage	2,955
Other Expenses	63,869
Depreciation (Note No. 5)	9,922
Repairs & Maintenance	60,250
	<u>2,648,967</u>

16 FINANCE COSTS

Bank Charges	5,142
Interest Expense	27,127
Foreign Exchange (Gain)/Loss	9,555
	<u>41,824</u>

STERLITE TECHNOLOGIES DMCC

Notes to the Financial Statements

For the period from July 6, 2020 (Inception) to March 31, 2021

17 FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed in note 3 to the financial statements.

Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis.

	<u>As at March 31</u>	<u>As at March 31</u>
	<u>2021</u>	<u>2021</u>
<i>Financial Assets</i>	<u>Carrying Amount</u>	<u>Fair Value</u>
	<i>(AED)</i>	<i>(AED)</i>
Deposits & Advances	421,357	421,357
Other Receivables	7,861	7,861
Due from Related Party	1,017,434	1,017,434
Cash and Bank Balances	2,788,602	2,788,602
	<u>4,235,254</u>	<u>4,235,254</u>
<i>Financial Liabilities</i>		
Trade & Other Payables	3,325,971	3,325,971
Accruals	94,685	94,685
	<u>3,420,656</u>	<u>3,420,656</u>

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the shareholder through the optimization of the debt and equity balance. The Company started its commercial operations with effect from 06th July 2020 and its overall strategy remains unchanged for the period under review.

The capital structure of the Company consists of cash and cash equivalents, debts and equity attributable to shareholder, comprising of share capital and accumulated losses .

18 RISK MANAGEMENT

18.1 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company was not exposed to any interest rate risk as there were no interest-bearing assets or liabilities as at the reporting date.

18.2 Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank balances and trade and other receivables.

Credit risk relating to trade receivables is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which the operate, combined with regular monitoring and follow-up.

The Company's bank accounts are placed with high credit quality financial institutions.

STERLITE TECHNOLOGIES DMCC

Notes to the Financial Statements

For the period from July 6, 2020 (Inception) to March 31, 2021

18 RISK MANAGEMENT (Continued)

18.3 Liquidity Risk

Liquidity risk is the risk that the Company may not have sufficient liquid funds to meet its liabilities as they fall due. Prudent liquidity risk management requires maintaining sufficient cash and the availability of funding to meet obligations when due.

18.4 Foreign Currency Risk

Foreign currency risk is the risk that an adverse movement in currency exchange rates can affect the financial performance of the Company and can arise on financial instruments that are denominated in a currency other than the functional currency in which they are measured.

19 FAIR VALUE

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of the financial assets and financial liabilities which are required to be carried at cost or at amortized cost approximates to their carrying values.

20 SEGMENT INFORMATION

Operating segments:

Information regarding the company's operating segments is set out below in accordance with the IFRS 8 "Operating Segments". The management of the company assessed the company into the following key business segment: Software House, Network Consultancies, Information Technology Consultants and Fiber Optic Products & Requisites Trading.

These businesses are the basis on which the company reports its primary segment information to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance. Transaction between segments are conducted at estimated market rates on an arm's length basis and eliminated on consolidation.

21 CONTINGENCIES AND COMMITMENTS

Except for the ongoing business obligations which are under normal course of business against which no loss is expected, there has been no other known contingent liability or commitment on Company's financial statements as of financial position date.

22 DATE OF AUTHORIZATION

These financial statements were authorized for issue by the director's of the Company on 26th May, 2021.

For Sterlite Technologies DMCC



Mr. Kattunga Srinivasa Rao
Director



Mr. Rahul Puri
Director

METALLURGICA BRESCIANA SPA a socio unico

Bilancio di esercizio al 31-12-2020

Dati anagrafici	
Sede in	VIA G. MARCONI 31 DELLO BS
Codice Fiscale	02132320173
Numero Rea	BS 02132320173
P.I.	02132320173
Capitale Sociale Euro	7.000.000
Forma giuridica	SOCIETA' PER AZIONI
Settore di attività prevalente (ATECO)	273200
Società in liquidazione	no
Società con socio unico	si
Società sottoposta ad altrui attività di direzione e coordinamento	si
Denominazione della società o ente che esercita l'attività di direzione e coordinamento	STERLITE TECHNOLOGIES LIMITED
Appartenenza a un gruppo	si
Denominazione della società capogruppo	STERLITE TECHNOLOGIES LIMITED
Paese della capogruppo	INDIA

Stato patrimoniale

	31-12-2020	31-12-2019
Stato patrimoniale		
Attivo		
A) Crediti verso soci per versamenti ancora dovuti		
Parte richiamata	1.950.000	-
Totale crediti verso soci per versamenti ancora dovuti (A)	1.950.000	-
B) Immobilizzazioni		
I - Immobilizzazioni immateriali		
3) diritti di brevetto industriale e diritti di utilizzazione delle opere dell'ingegno	36.844	34.440
4) concessioni, licenze, marchi e diritti simili	366	549
5) avviamento	4.282.276	-
7) altre	559.973	419.696
Totale immobilizzazioni immateriali	4.879.459	454.685
II - Immobilizzazioni materiali		
1) terreni e fabbricati	12.469.838	6.336.592
2) impianti e macchinario	8.402.394	9.762.250
3) attrezzature industriali e commerciali	99.552	170.146
4) altri beni	79.586	66.866
5) immobilizzazioni in corso e acconti	18.093	10.000
Totale immobilizzazioni materiali	21.069.463	16.345.854
III - Immobilizzazioni finanziarie		
1) partecipazioni in		
b) imprese collegate	1.603.013	1.603.013
d-bis) altre imprese	3.710	3.710
Totale partecipazioni	1.606.723	1.606.723
2) crediti		
d-bis) verso altri		
esigibili entro l'esercizio successivo	20.731	18.311
Totale crediti verso altri	20.731	18.311
Totale crediti	20.731	18.311
Totale immobilizzazioni finanziarie	1.627.454	1.625.034
Totale immobilizzazioni (B)	27.576.376	18.425.573
C) Attivo circolante		
I - Rimanenze		
1) materie prime, sussidiarie e di consumo	5.805.632	5.875.564
2) prodotti in corso di lavorazione e semilavorati	2.387.180	3.559.555
4) prodotti finiti e merci	6.348.263	4.317.316
5) acconti	335.823	-
Totale rimanenze	14.876.898	13.752.435
II - Crediti		
1) verso clienti		
esigibili entro l'esercizio successivo	14.361.116	14.744.534
Totale crediti verso clienti	14.361.116	14.744.534
3) verso imprese collegate		
esigibili entro l'esercizio successivo	7.236.969	7.288.176
Totale crediti verso imprese collegate	7.236.969	7.288.176
4) verso controllanti		
esigibili entro l'esercizio successivo	399.851	1.084.577

Totale crediti verso controllanti	399.851	1.084.577
5-bis) crediti tributari		
esigibili entro l'esercizio successivo	1.439.774	1.007.590
Totale crediti tributari	1.439.774	1.007.590
5-ter) imposte anticipate	356.855	332.665
5-quater) verso altri		
esigibili entro l'esercizio successivo	199.938	62.563
Totale crediti verso altri	199.938	62.563
Totale crediti	23.994.503	24.520.105
IV - Disponibilità liquide		
1) depositi bancari e postali	2.547.735	2.127.285
3) danaro e valori in cassa	1.018	1.738
Totale disponibilità liquide	2.548.753	2.129.023
Totale attivo circolante (C)	41.420.154	40.401.563
D) Ratei e risconti	303.312	306.631
Totale attivo	71.249.842	59.133.767
Passivo		
A) Patrimonio netto		
I - Capitale	7.000.000	7.000.000
III - Riserve di rivalutazione	-	6.083.284
IV - Riserva legale	-	2.045.966
VI - Altre riserve, distintamente indicate		
Riserva straordinaria	(1.808.728)	17.991.202
Totale altre riserve	(1.808.728)	17.991.202
IX - Utile (perdita) dell'esercizio	3.076.174	3.655.735
Totale patrimonio netto	8.267.446	36.776.187
B) Fondi per rischi e oneri		
1) per trattamento di quiescenza e obblighi simili	218.282	218.282
2) per imposte, anche differite	816.464	-
3) strumenti finanziari derivati passivi	46.374	46.374
4) altri	30.000	30.000
Totale fondi per rischi ed oneri	1.111.120	294.656
C) Trattamento di fine rapporto di lavoro subordinato	588.608	723.561
D) Debiti		
4) debiti verso banche		
esigibili entro l'esercizio successivo	11.515.689	10.644.147
esigibili oltre l'esercizio successivo	37.470.000	2.100.001
Totale debiti verso banche	48.985.689	12.744.148
6) acconti		
esigibili entro l'esercizio successivo	16.856	71.432
Totale acconti	16.856	71.432
7) debiti verso fornitori		
esigibili entro l'esercizio successivo	7.146.790	5.238.260
Totale debiti verso fornitori	7.146.790	5.238.260
10) debiti verso imprese collegate		
esigibili entro l'esercizio successivo	1.053	-
Totale debiti verso imprese collegate	1.053	-
11) debiti verso controllanti		
esigibili entro l'esercizio successivo	3.256.536	1.577.249
Totale debiti verso controllanti	3.256.536	1.577.249
12) debiti tributari		

esigibili entro l'esercizio successivo	281.869	204.314
Totale debiti tributari	281.869	204.314
13) debiti verso istituti di previdenza e di sicurezza sociale		
esigibili entro l'esercizio successivo	313.645	424.434
Totale debiti verso istituti di previdenza e di sicurezza sociale	313.645	424.434
14) altri debiti		
esigibili entro l'esercizio successivo	864.685	887.140
Totale altri debiti	864.685	887.140
Totale debiti	60.867.123	21.146.977
E) Ratei e risconti	415.545	192.386
Totale passivo	71.249.842	59.133.767

Conto economico

	31-12-2020	31-12-2019
Conto economico		
A) Valore della produzione		
1) ricavi delle vendite e delle prestazioni	56.023.088	50.587.375
2) variazioni delle rimanenze di prodotti in corso di lavorazione, semilavorati e finiti	858.571	(6.358.546)
5) altri ricavi e proventi		
contributi in conto esercizio	-	509
altri	970.503	956.173
Totale altri ricavi e proventi	970.503	956.682
Totale valore della produzione	57.852.162	45.185.511
B) Costi della produzione		
6) per materie prime, sussidiarie, di consumo e di merci	35.327.288	32.080.859
7) per servizi	6.751.510	4.320.058
8) per godimento di beni di terzi	335.467	418.709
9) per il personale		
a) salari e stipendi	5.041.052	4.987.197
b) oneri sociali	1.522.340	1.473.989
c) trattamento di fine rapporto	394.892	354.765
e) altri costi	698.730	833.146
Totale costi per il personale	7.657.014	7.649.097
10) ammortamenti e svalutazioni		
a) ammortamento delle immobilizzazioni immateriali	97.221	16.599
b) ammortamento delle immobilizzazioni materiali	1.806.594	1.630.630
Totale ammortamenti e svalutazioni	1.903.815	1.647.229
11) variazioni delle rimanenze di materie prime, sussidiarie, di consumo e merci	69.931	(6.359.564)
13) altri accantonamenti	-	8.995
14) oneri diversi di gestione	549.733	353.843
Totale costi della produzione	52.594.758	40.119.226
Differenza tra valore e costi della produzione (A - B)	5.257.404	5.066.285
C) Proventi e oneri finanziari		
16) altri proventi finanziari		
d) proventi diversi dai precedenti		
altri	114	147
Totale proventi diversi dai precedenti	114	147
Totale altri proventi finanziari	114	147
17) interessi e altri oneri finanziari		
altri	1.259.166	205.745
Totale interessi e altri oneri finanziari	1.259.166	205.745
17-bis) utili e perdite su cambi	(29.451)	(2.271)
Totale proventi e oneri finanziari (15 + 16 - 17 + - 17-bis)	(1.288.503)	(207.869)
D) Rettifiche di valore di attività e passività finanziarie		
19) svalutazioni		
d) di strumenti finanziari derivati	-	28.686
Totale svalutazioni	-	28.686
Totale delle rettifiche di valore di attività e passività finanziarie (18 - 19)	-	(28.686)
Risultato prima delle imposte (A - B + - C + - D)	3.968.901	4.829.730
20) Imposte sul reddito dell'esercizio, correnti, differite e anticipate		
imposte correnti	895.495	1.068.475

imposte differite e anticipate	(2.768)	105.520
Totale delle imposte sul reddito dell'esercizio, correnti, differite e anticipate	892.727	1.173.995
21) Utile (perdita) dell'esercizio	3.076.174	3.655.735

Rendiconto finanziario, metodo indiretto

	31-12-2020	31-12-2019
Rendiconto finanziario, metodo indiretto		
A) Flussi finanziari derivanti dall'attività operativa (metodo indiretto)		
Utile (perdita) dell'esercizio	3.076.174	3.655.735
Imposte sul reddito	892.727	1.173.995
Interessi passivi/(attivi)	1.259.052	205.598
(Plusvalenze)/Minusvalenze derivanti dalla cessione di attività	(92.906)	-
1) Utile (perdita) dell'esercizio prima d'imposte sul reddito, interessi, dividendi e plus/minusvalenze da cessione	5.135.047	5.035.328
Rettifiche per elementi non monetari che non hanno avuto contropartita nel capitale circolante netto		
Accantonamenti ai fondi	394.892	8.996
Ammortamenti delle immobilizzazioni	1.903.815	1.647.229
Rettifiche di valore di attività e passività finanziarie di strumenti finanziari derivati che non comportano movimentazione monetarie	-	28.686
Altre rettifiche in aumento/(in diminuzione) per elementi non monetari	-	354.765
Totale rettifiche per elementi non monetari che non hanno avuto contropartita nel capitale circolante netto	2.298.707	2.039.676
2) Flusso finanziario prima delle variazioni del capitale circolante netto	7.433.754	7.075.004
Variazioni del capitale circolante netto		
Decremento/(Incremento) delle rimanenze	(1.124.463)	(137.018)
Decremento/(Incremento) dei crediti verso clienti	1.319.351	6.334.089
Incremento/(Decremento) dei debiti verso fornitori	3.534.294	(1.900.916)
Decremento/(Incremento) dei ratei e risconti attivi	3.319	(1.717)
Incremento/(Decremento) dei ratei e risconti passivi	223.159	(104.704)
Altri decrementi/(Altri Incrementi) del capitale circolante netto	1.299.506	(3.157.676)
Totale variazioni del capitale circolante netto	5.255.166	1.032.058
3) Flusso finanziario dopo le variazioni del capitale circolante netto	12.688.920	8.107.062
Altre rettifiche		
Interessi incassati/(pagati)	(1.259.052)	(205.598)
(Imposte sul reddito pagate)	(124.574)	(1.173.995)
(Utilizzo dei fondi)	(729.845)	-
Altri incassi/(pagamenti)	-	(429.425)
Totale altre rettifiche	(2.113.471)	(1.809.018)
Flusso finanziario dell'attività operativa (A)	10.575.449	6.298.044
B) Flussi finanziari derivanti dall'attività d'investimento		
Immobilizzazioni materiali		
(Investimenti)	(1.124.835)	(5.067.539)
Disinvestimenti	740.650	-
Immobilizzazioni immateriali		
(Investimenti)	(239.719)	(468.609)
Immobilizzazioni finanziarie		
(Investimenti)	(2.420)	-
Flusso finanziario dell'attività di investimento (B)	(626.324)	(5.536.148)
C) Flussi finanziari derivanti dall'attività di finanziamento		
Mezzi di terzi		
Incremento/(Decremento) debiti a breve verso banche	(2.696.062)	1.869.288
(Rimborso finanziamenti)	(4.133.333)	(1.073.332)
Mezzi propri		
Cessione/(Acquisto) di azioni proprie	(2.700.000)	-

Flusso finanziario dell'attività di finanziamento (C)	(9.529.395)	795.956
Incremento (decremento) delle disponibilità liquide (A ± B ± C)	419.730	1.557.852
Disponibilità liquide a inizio esercizio		
Depositi bancari e postali	2.127.285	570.403
Danaro e valori in cassa	1.738	768
Totale disponibilità liquide a inizio esercizio	2.129.023	571.171
Disponibilità liquide a fine esercizio		
Depositi bancari e postali	2.547.735	2.127.285
Danaro e valori in cassa	1.018	1.738
Totale disponibilità liquide a fine esercizio	2.548.753	2.129.023

Nota integrativa al Bilancio di esercizio chiuso al 31-12-2020

Nota integrativa, parte iniziale

Signori Soci, la presente nota integrativa costituisce parte integrante del bilancio al 31/12/2020.

Il bilancio risulta conforme a quanto previsto dagli articoli 2423 e seguenti del codice civile ed ai principi contabili nazionali così come pubblicati dall'Organismo Italiano di Contabilità; esso rappresenta pertanto con chiarezza ed in modo veritiero e corretto la situazione patrimoniale e finanziaria della società ed il risultato economico dell'esercizio.

Il contenuto dello stato patrimoniale e del conto economico è quello previsto dagli articoli 2424 e 2425 del codice civile, mentre il rendiconto finanziario è stato redatto ai sensi dell'art. 2425-ter.

La nota integrativa, redatta ai sensi dell'art. 2427 del codice civile, contiene inoltre tutte le informazioni utili a fornire una corretta interpretazione del bilancio.

In base all'art. 27 c.3 del D.Lgs. 127/91, la società METALLURGICA BRESCIANA SPA a socio unico è esonerata dall'obbligo di redazione del bilancio consolidato in quanto si tratta di società a sua volta controllata la cui controllante (a cui compete la consolidazione del bilancio) detiene almeno il 95% delle azioni o quote della controllata ovvero, in mancanza della condizione di cui sopra, la redazione non sia stata richiesta da tanti soci che rappresentino almeno il 5% del capitale.

Il Rendiconto Finanziario presenta le variazioni, positive o negative, delle disponibilità liquide avvenute nell'esercizio ed è stato redatto con il metodo indiretto utilizzando lo schema previsto dal principio contabile OIC 10.

Lo Stato Patrimoniale, il Conto Economico e il Rendiconto Finanziario sono stati redatti in unità di Euro, senza cifre decimali, come altresì i valori riportati nella Nota Integrativa, salvo ove diversamente specificato.

Per quanto riguarda l'attività della Società e i rapporti con le imprese controllate, collegate, controllanti, sottoposte a comune controllo e altre parti correlate si rinvia a quanto indicato nella Relazione sulla Gestione, predisposta dagli Amministratori della Società a corredo del presente bilancio.

I fatti di rilievo avvenuti dopo la chiusura dell'esercizio nonché la proposta di destinazione del risultato dell'esercizio e l'importo complessivo delle garanzie e delle passività potenziali non risultanti dallo stato patrimoniale, sono esposti in appositi paragrafi della presente Nota Integrativa.

Si precisa che, ai sensi dell'art. 2497 e seguenti del Codice Civile, la Società è soggetta ad attività di direzione e coordinamento da parte di "Sterlite Technologies S.p.A."

L'utile di esercizio ammonta a Euro 3.076.174 con un decremento di circa il 15,8% rispetto al risultato conseguito nell'anno 2019 (euro 3.655.735) ed un decremento di circa l'8,88% rispetto all'esercizio 2018; le imposte di competenza sull'esercizio ammontano a Euro 895.495 mentre le imposte differite iscritte sono di euro 816.464. Sono stati corrisposti oneri finanziari per Euro 1.259.166, in aumento rispetto alla stessa posta dell'esercizio 2019, che ammontavano ad Euro 205.745.

Criteri di formazione

Redazione del bilancio

Le informazioni contenute nel presente documento sono presentate secondo l'ordine in cui le relative voci sono indicate nello stato patrimoniale e nel conto economico.

In riferimento a quanto indicato nella parte introduttiva della presente nota integrativa, si attesta che, ai sensi dell'art. 2423, 3° comma del codice civile, qualora le informazioni richieste da specifiche disposizioni di legge non siano sufficienti a dare una rappresentazione veritiera e corretta della situazione aziendale vengono fornite le informazioni complementari ritenute necessarie allo scopo.

Non si sono verificati casi eccezionali che abbiano reso necessario il ricorso a deroghe di cui all'art. 2423, commi 4 e 5 e all'art. 2423-bis comma 2 codice civile.

Principi di redazione

La valutazione delle voci di bilancio è avvenuta nel rispetto del principio della prudenza e nella prospettiva di continuazione dell'attività. Ai sensi dell'art. 2423-bis c.1 punto 1-bis c.c., la rilevazione e la presentazione delle voci è effettuata tenendo conto della sostanza dell'operazione o del contratto.

Nella redazione del bilancio d'esercizio gli oneri e i proventi sono stati iscritti secondo il principio di competenza indipendentemente dal momento della loro manifestazione numeraria. Si è peraltro tenuto conto dei rischi e delle perdite di competenza dell'esercizio, anche se conosciuti dopo la chiusura di questo.

L'applicazione del principio della prudenza ha comportato la valutazione individuale degli elementi componenti le singole voci delle attività o passività, per evitare compensi tra perdite che dovevano essere riconosciute e proventi da non riconoscere in quanto non realizzati. In particolare, gli utili sono stati inclusi solo se realizzati entro la data di chiusura dell'esercizio, mentre si è tenuto conto dei rischi e delle perdite di competenza dell'esercizio, anche se conosciuti dopo la chiusura dello stesso.

L'applicazione del principio della competenza ha comportato che l'effetto delle operazioni sia stato rilevato contabilmente ed attribuito all'esercizio al quale tali operazioni si riferiscono e non a quello in cui si sono realizzati i relativi incassi e pagamenti.

Struttura e contenuto del prospetto di bilancio

Lo stato patrimoniale, il conto economico, il rendiconto finanziario e le informazioni di natura contabile contenute nella presente nota integrativa sono conformi alle scritture contabili, da cui sono stati direttamente desunti.

Nell'esposizione dello stato patrimoniale e del conto economico non sono stati effettuati raggruppamenti delle voci precedute da numeri arabi, come invece facoltativamente previsto dall'art. 2423 ter del c.c.

Ai sensi dell'art. 2423 ter del codice civile, si precisa che tutte le voci di bilancio sono risultate comparabili con l'esercizio precedente; non vi è stata pertanto necessità di adattare alcuna voce dell'esercizio precedente.

Ai sensi dell'art. 2424 del codice civile si conferma che non esistono elementi dell'attivo o del passivo che ricadano sotto più voci del prospetto di bilancio.

Criteri di valutazione

I criteri applicati nella valutazione delle voci di bilancio e nelle rettifiche di valore sono conformi alle disposizioni del codice civile e alle indicazioni contenute nei principi contabili emanati dall'Organismo Italiano di Contabilità. Gli stessi inoltre non sono variati rispetto all'esercizio precedente.

Ai sensi dell'articolo 2427 c. 1 n. 1 del c.c. si illustrano i più significativi criteri di valutazione adottati nel rispetto delle disposizioni contenute all'art.2426 del codice civile, con particolare riferimento a quelle voci di bilancio per le quali il legislatore ammette diversi criteri di valutazione e di rettifica o per le quali non sono previsti specifici criteri.

Le novità introdotte dall'OIC 2017 non hanno avuto impatto sul presente bilancio.

La redazione del bilancio richiede l'effettuazione di stime che hanno effetto sui valori delle attività e passività e sulla relativa informativa di bilancio. I risultati che si consuntiveranno, potranno differire da tali stime. Le stime sono riviste periodicamente e gli effetti dei cambiamenti di stima, ove non derivanti da stime errate, sono rilevate nel conto economico dell'esercizio in cui si verificano i cambiamenti, se gli stessi hanno effetti solo su tale esercizio e anche negli esercizi successivi se i cambiamenti influenzano sia l'esercizio di riferimento sia quelli successivi.

Altre informazioni

Valutazione poste in valuta

I valori contabili espressi in valuta sono stati iscritti, previa conversione in euro secondo il tasso di cambio vigente al momento della loro rilevazione, ovvero al tasso di cambio alla data di chiusura dell'esercizio sociale secondo le indicazioni del principio contabile OIC 26.

Operazioni con obbligo di retrocessione a termine

La società, ai sensi dell'art.2427 n. 6-ter, attesta che nel corso dell'esercizio non ha posto in essere alcuna operazione soggetta all'obbligo di retrocessione a termine.

Nota integrativa, attivo

I valori iscritti nell'attivo dello stato patrimoniale sono stati valutati secondo quanto previsto dall'articolo 2426 del codice civile e in conformità ai principi contabili nazionali. Nelle sezioni relative alle singole poste sono indicati i criteri applicati nello specifico

Immobilizzazioni immateriali

Le immobilizzazioni immateriali sono iscritte, previo consenso del Collegio Sindacale laddove previsto, al costo d'acquisto o di produzione e sono esposte al netto degli ammortamenti e delle eventuali svalutazioni. Nel costo di acquisto si computano anche i costi accessori. Il costo di produzione comprende tutti i costi direttamente imputabili e gli altri costi, per la quota ragionevolmente imputabile, relativi al periodo di produzione e fino al momento dal quale l'immobilizzazione può essere utilizzata.

Gli oneri pluriennali, che includono i costi di impianto e di ampliamento, sono iscritti quando è dimostrata la loro utilità futura, esiste una correlazione oggettiva con i relativi benefici futuri di cui godrà la Società ed è stimabile con ragionevole certezza la loro recuperabilità.

I beni immateriali, costituiti da diritti di utilizzazione delle opere dell'ingegno, sono iscritti nell'attivo patrimoniale solo se individualmente identificabili, se la Società acquisisce il potere di usufruire dei benefici economici futuri derivanti dallo stesso bene e può limitare l'accesso da parte di terzi a tali benefici e se il loro costo è stimabile con sufficiente attendibilità.

Le migliorie e le spese incrementative su beni di terzi sono iscritte tra le altre immobilizzazioni immateriali qualora non siano separabili dai beni stessi, altrimenti sono iscritte tra le specifiche voci delle immobilizzazioni materiali.

Le immobilizzazioni immateriali sono ammortizzate sistematicamente e la quota di ammortamento imputata a ciascun esercizio si riferisce alla ripartizione del costo sostenuto sull'intera durata di utilizzazione. L'ammortamento decorre dal momento in cui l'immobilizzazione è disponibile e pronta per l'uso. La sistematicità dell'ammortamento è funzionale alla correlazione dei benefici attesi.

L'ammortamento è stato operato in conformità ad un piano prestabilito, che si ritiene assicuri una corretta ripartizione del costo sostenuto lungo la vita utile delle immobilizzazioni in oggetto.

Il criterio di ammortamento delle immobilizzazioni immateriali è stato applicato con sistematicità ed in ogni esercizio, in relazione alla residua possibilità di utilizzazione economica di ogni singolo bene o spesa.

Ai sensi e per gli effetti dell'art.10 della legge 19 marzo 1983, n. 72, e così come anche richiamato dalle successive leggi di rivalutazione monetaria, si precisa che per i beni immateriali tuttora esistenti in patrimonio non è stata mai eseguita alcuna rivalutazione monetaria.

Si evidenzia che su tali oneri immobilizzati non è stato necessario operare svalutazioni ex art. 2426 comma 1 n. 3 del codice civile in quanto, come previsto dal principio contabile OIC 9, non sono stati riscontrati indicatori di potenziali perdite durevoli di valore delle immobilizzazioni immateriali.

Immobilizzazioni materiali

Le immobilizzazioni materiali sono iscritte al costo di acquisto o di produzione, rettificato dei rispettivi ammortamenti accumulati e delle eventuali svalutazioni. Il costo di acquisto è il costo effettivamente sostenuto per l'acquisizione del bene ed include anche i costi accessori. Il costo di produzione comprende tutti i costi diretti e i costi generali di produzione, per la quota ragionevolmente imputabile all'immobilizzazione, relativi al periodo di fabbricazione e fino al momento dal quale il bene può essere utilizzato.

I costi di manutenzione ordinaria, relativi alle manutenzioni e riparazioni ricorrenti effettuate per mantenere i cespiti in un buono stato di funzionamento per assicurarne la vita utile prevista, la capacità e la produttività originarie, sono rilevati a conto economico nell'esercizio in cui sono sostenuti. I costi di manutenzione straordinaria, che si sostanziano in ampliamenti, ammodernamenti, sostituzioni e altri miglioramenti riferibili al bene che producono un aumento significativo e misurabile di capacità, di produttività o di sicurezza dei cespiti ovvero ne prolungano la vita utile, sono capitalizzabili nei limiti del valore recuperabile del bene.

Gli ammortamenti sono calcolati in modo sistematico e costante, sulla base della residua possibilità di utilizzazione dei cespiti. L'ammortamento decorre dal momento in cui l'immobilizzazione è disponibile e pronta per l'uso.

Le immobilizzazioni materiali condotte in locazione finanziaria vengono iscritte nell'attivo patrimoniale al momento dell'eventuale esercizio del diritto di riscatto. Nel periodo di locazione i canoni vengono rilevati a conto economico, fra i costi della produzione, nei periodi di competenza. Nella Nota Integrativa vengono indicati gli effetti sulle voci di bilancio, sul patrimonio netto e sul risultato d'esercizio che sarebbero derivati dall'applicazione del cosiddetto "metodo finanziario".

I criteri di ammortamento delle immobilizzazioni materiali non sono variati rispetto a quelli applicati nell'esercizio precedente.

Ai sensi e per gli effetti dell'art.10 della legge 19 Marzo 1983, n.72, così come anche richiamato dalle successive leggi di rivalutazione monetaria, si precisa che per i beni materiali tuttora esistenti in patrimonio fu eseguita la rivalutazione monetaria con conseguente iscrizione di riserva di rivalutazione che fu istituita a fronte della rivalutazione effettuata sui beni immobili della società per la quota di euro 4.169.180 in relazione alle previsioni di cui al D.L. 185/2008 convertito in Legge n. 2/2009; le restanti somme di detta riserva si riferiscono alla Rivalutazione di cui alla Legge 576/1975 per euro 947, alla Rivalutazione di cui alla Legge 413/1991 per euro 336.167 ed alla Rivalutazione di cui alla Legge 342/2000 per euro 1.576.990.

Si evidenzia che non è stato necessario operare svalutazioni ex art. 2426 comma 1 n. 3 del codice civile in quanto, come previsto dal principio contabile OIC 9, non sono stati riscontrati indicatori di potenziali perdite durevoli di valore delle immobilizzazioni materiali.

Terreni e fabbricati

La società ha distintamente contabilizzato la parte di terreno sottostante ai fabbricati di proprietà e per la stessa non si è operato alcun ammortamento in quanto si tratta di beni per i quali non è previsto un esaurimento della utilità futura.

Immobilizzazioni in corso e acconti

Gli acconti ai fornitori per l'acquisto di immobilizzazioni materiali iscritti nella voce B.II.5 sono rilevati inizialmente alla data in cui sorge unicamente l'obbligo al pagamento di tali importi. Di conseguenza gli acconti non sono oggetto di ammortamento.

Immobilizzazioni finanziarie

Partecipazioni

Le partecipazioni e i titoli di debito destinati a permanere durevolmente nel patrimonio dell'impresa per effetto della volontà della direzione aziendale e dell'effettiva capacità della Società di detenerle per un periodo prolungato di tempo vengono classificate nelle immobilizzazioni finanziarie. Diversamente, vengono iscritte nell'attivo circolante. Il cambiamento di destinazione tra attivo immobilizzato e attivo circolante, o viceversa, è rilevato secondo i criteri valutativi specifici del portafoglio di provenienza.

Tutte le partecipazioni iscritte in bilancio sono state valutate con il metodo del costo, dove per costo s'intende l'onere sostenuto per l'acquisto, indipendentemente dalle modalità di pagamento, comprensivo degli eventuali oneri accessori.

Le partecipazioni il cui valore verificato sul patrimonio netto è inferiore al valore di costo, sono svalutate a tale valore mediante l'attribuzione del principio della perdita durevole.

Nel caso in cui le partecipazioni abbiano subito alla data di bilancio perdite di valore ritenute durevoli, il loro valore di iscrizione viene ridotto al minor valore recuperabile, determinato in base ai benefici futuri che si prevede affluiranno alla società, fino all'azzeramento del valore di carico. Nei casi in cui la società sia obbligata a farsi carico della copertura delle perdite conseguite dalla partecipata, può rendersi necessario un accantonamento al passivo per poter far fronte, per la quota di competenza, alla copertura del deficit patrimoniale della stessa.

Rimanenze

Le rimanenze di magazzino sono inizialmente iscritte al costo di acquisto o di produzione e successivamente valutate al minore tra il costo ed il corrispondente valore di realizzazione desumibile dal mercato.

Per costo di acquisto si intende il prezzo effettivo di acquisto più gli oneri accessori. Il costo di acquisto dei materiali include, oltre al prezzo del materiale, anche i costi di trasporto, dogana, altri tributi e gli altri costi direttamente imputabili a quel materiale.

Per costo di produzione si intendono tutti i costi diretti ed i costi indiretti per la quota ragionevolmente imputabile al prodotto relativa al periodo di fabbricazione e fino al momento dal quale il bene può essere utilizzato, considerati sulla base della capacità produttiva normale.

Durante l'esercizio è stato modificato il metodo di determinazione della valorizzazione delle rimanenze; in luogo del metodo LIFO adottato fino al bilancio chiuso al 31.12.2018, nell'esercizio in commento si è provveduto ad adottare il principio secondo cui le rimanenze risultano iscritte al costo di acquisto o di produzione, calcolato secondo il numero 1) dell'art. 2426 c. c., ovvero al valore di realizzazione desumibile dall'andamento del mercato, se minore.

Il valore di realizzazione desumibile dall'andamento del mercato è pari alla stima del prezzo di vendita delle merci e dei prodotti finiti nel corso della normale gestione, al netto dei presunti costi di completamento e dei costi diretti di vendita. Ai fini della determinazione del valore di realizzazione desumibile dall'andamento del mercato, si tiene conto, tra l'altro, del tasso di obsolescenza e dei tempi di rigiro del magazzino.

Le materie prime e sussidiarie che partecipano alla fabbricazione di prodotti finiti non sono oggetto di svalutazione qualora ci si attenda che tali prodotti finiti possano essere oggetto di realizzo per un valore pari o superiore al loro costo di produzione.

Peraltro, qualora in presenza di una diminuzione nel prezzo delle materie prime e sussidiarie, il costo dei prodotti finiti ecceda il loro valore di realizzazione, le materie prime e sussidiarie sono svalutate fino al valore netto di realizzazione, assumendo quale miglior stima il loro prezzo di mercato.

Sono pertanto oggetto di svalutazione le rimanenze di magazzino il cui valore di realizzazione desumibile dall'andamento del mercato è minore del relativo valore contabile.

Se vengono meno, in tutto o in parte, i presupposti della svalutazione per effetto dell'aumento del valore di realizzazione desumibile dal mercato, la rettifica di valore effettuata è annullata nei limiti del costo originariamente sostenuto.

Crediti

I crediti iscritti tra le immobilizzazioni finanziarie sono stati rilevati in bilancio secondo il criterio del costo ammortizzato, come definito dall'art.2426 c.2 c.c., tenendo conto del fattore temporale e del valore di presumibile di realizzo, conformemente a quanto previsto dall'art. 2426, comma 1, n. 8 del codice civile.

L'adeguamento al presumibile valore di realizzo è stato effettuato mediante lo stanziamento di un fondo svalutazione crediti.

Per i crediti per i quali sia stata verificata l'irrilevanza dell'applicazione del metodo del costo ammortizzato e/o dell'attualizzazione, ai fini dell'esigenza di dare una rappresentazione veritiera e corretta della situazione patrimoniale ed economica societaria, è stata mantenuta l'iscrizione secondo il presumibile valore di realizzo. Tale evenienza si è verificata ad esempio in presenza di crediti con scadenza inferiore ai dodici mesi o, in riferimento al criterio del costo ammortizzato, nel caso in cui i costi di transazione, le commissioni e ogni altra differenza tra valore iniziale e valore a scadenza sono di scarso rilievo o, ancora, nel caso di attualizzazione, in presenza di un tasso di interesse desumibile dalle condizioni contrattuali non significativamente diverso dal tasso di interesse di mercato.

I crediti iscritti in bilancio rappresentano diritti ad esigere, ad una scadenza individuata o individuabile, ammontari fissi o determinabili di disponibilità liquide da clienti o da altri soggetti.

I crediti vengono cancellati dal bilancio quando i diritti contrattuali sui flussi finanziari derivanti dal credito sono estinti oppure quando la titolarità dei diritti contrattuali sui flussi finanziari derivanti dal credito è trasferita e con essa sono trasferiti sostanzialmente tutti i rischi inerenti il credito. Ai fini della valutazione del trasferimento dei rischi si tengono in considerazione tutte le clausole contrattuali.

Quando il credito è cancellato dal bilancio in presenza delle condizioni sopra esposte, la differenza fra il corrispettivo e il valore contabile del credito al momento della cessione è rilevata a conto economico come perdita su crediti, salvo che il contratto di cessione non consenta di individuare altre componenti economiche di diversa natura, anche finanziaria e fatto salvo il preventivo utilizzo del Fondo svalutazione crediti collettivo.

Immobilizzazioni

Immobilizzazioni immateriali

Movimenti delle immobilizzazioni immateriali

Dopo l'iscrizione in conto economico delle quote di ammortamento dell'esercizio, pari ad € 97.221, le immobilizzazioni immateriali ammontano ad € 4.879.459.

Nella tabella sono esposte le movimentazioni delle immobilizzazioni in oggetto.

	Diritti di brevetto industriale e diritti di utilizzazione delle opere dell'ingegno	Concessioni, licenze, marchi e diritti simili	Avviamento	Altre immobilizzazioni immateriali	Totale immobilizzazioni immateriali
Valore di inizio esercizio					
Costo	221.171	11.433	-	470.027	702.631
Ammortamenti (Fondo ammortamento)	186.731	10.884	-	50.331	247.946
Valore di bilancio	34.440	549	-	419.696	454.685
Variazioni nell'esercizio					
Incrementi per acquisizioni	14.080	-	4.282.276	225.639	4.521.995
Ammortamento dell'esercizio	11.676	183	-	85.362	97.221
Totale variazioni	2.404	(183)	4.282.276	140.277	4.424.774
Valore di fine esercizio					
Costo	235.251	11.433	4.282.276	695.666	5.224.626

Ammortamenti (Fondo ammortamento)	198.407	11.067	-	135.693	345.167
Valore di bilancio	36.844	366	4.282.276	559.973	4.879.459

Le aliquote di ammortamento applicate sono le seguenti:

- * domini internet, 10%;
- * programmi opere di ingegno, 20%;
- * sito internet, 20%;
- * riprese televisive, 20%.

Si precisa che, sulla base del Decreto Legge n.104 del 14 agosto 2020, la Società si è avvalsa della possibilità di non effettuare l'imputazione al conto economico dell'intera quota di ammortamento della voce "Avviamento" iscritta nell'esercizio 2020 quale parte del disavanzo di fusione, mediante incorporazione della controllante "Sterlite Technologies S.p.A.". Si osserva che la quota di ammortamento potenzialmente eseguibile, nell'esercizio in commento, è rappresentata dall'importo di euro 428.228.

Preme, in ogni caso, osservare che, indipendentemente dall'applicazione di tale norma e quindi anche ove stanziato il precitato ammortamento, la società avrebbe conseguito, nell'esercizio 2020, un utile significativo, nonostante la situazione emergenziale dovuta alla pandemia.

La mancata allocazione del suddetto ammortamento, in ogni caso, non comporta per la Società, sulla base dei Business Plan e dei piani futuri, l'insorgere di problematiche di impairment dell'avviamento

Si precisa, inoltre, che la Società ha deciso di avvalersi di questa norma emergenziale al fine di favorire una rappresentazione economico-patrimoniale dell'impresa più consona al suo reale valore mitigando, in questa maniera, almeno in parte ed in modo indiretto l'effetto negativo causato dal COVID-19.

La Società ha inteso destinare l'intero utile netto d'esercizio alla riserva legale che risulta pertanto indisponibile ai sensi di Legge. Di detto utile la quota di euro 428.228 verrà allocata a Riserva Indisponibile.

Immobilizzazioni materiali

Movimenti delle immobilizzazioni materiali

Le immobilizzazioni materiali al lordo dei relativi fondi ammortamento ammontano ad € 50.087.425; i fondi di ammortamento risultano essere pari ad € 29.017.962.

Nella tabella che segue sono esposte le movimentazioni delle immobilizzazioni in oggetto.

Le aliquote di ammortamento applicate sono le seguenti (salvo il 50% della percentuale, per il primo anno, per i cespiti acquisiti nell'esercizio in virtù della loro partecipazione parziale all'attività):

- fabbricati, 3%;
- costruzioni leggere, 10%;
- impianti generici 10%;
- impianti e mezzi di sollevamento, 7,5%;
- macchinari ed impianti 11,50%
- attrezzatura varia e minuta 25%;
- attrezzatura specifica, 40%;
- carrelli elevatori ed autocarri, 20%;
- mobili d'officina, 10%;
- arredamento settore industriale, 15%;
- mobili e macchine ordinarie d'ufficio 12%;
- macchine elettroniche d'ufficio 20%;
- apparecchiature radiomobili 20%;
- automezzi 20%.

Si è proceduto all'accorpamento delle voci impianto telefonico, impianto di sicurezza, impianto rete dati e impianto

ripetizione segnale nell'unica voce "impianti e macchinari".

	Terreni e fabbricati	Impianti e macchinario	Attrezzature industriali e commerciali	Altre immobilizzazioni materiali	Immobilizzazioni materiali in corso e acconti	Totale immobilizzazioni materiali
Valore di inizio esercizio						
Costo	10.114.119	30.069.003	2.531.908	1.032.914	10.000	43.757.944
Ammortamenti (Fondo ammortamento)	3.777.527	20.308.134	2.359.015	967.413	-	27.412.089
Valore di bilancio	6.336.592	9.762.250	170.146	66.866	10.000	16.345.854
Variazioni nell'esercizio						
Incrementi per acquisizioni	6.133.473	954.847	37.495	44.037	8.093	7.177.945
Decrementi per alienazioni e dismissioni (del valore di bilancio)	-	647.744	-	-	-	647.744
Ammortamento dell'esercizio	227	1.666.960	108.089	31.317	-	1.806.593
Totale variazioni	6.133.246	(1.359.857)	(70.594)	12.720	8.093	4.723.608
Valore di fine esercizio						
Costo	16.247.592	30.376.106	2.569.403	1.076.951	18.093	50.288.145
Ammortamenti (Fondo ammortamento)	3.777.754	21.975.094	2.467.104	998.730	-	29.218.682
Valore di bilancio	12.469.838	8.402.394	99.552	79.586	18.093	21.069.463

In relazione ai nuovi investimenti effettuati nell'esercizio 2020, si osserva che le immobilizzazioni relative a Terreni, Fabbricati e Avviamento sono stati impattati dalla recente fusione inversa con STL spa.

Le immobilizzazioni materiali in corso sono incrementate di € 10.093 rispetto allo scorso anno, per un valore di bilancio al 31/12/2020 pari ad € 18.093

Si precisa che, sulla base del Decreto Legge n.104 del 14 agosto 2020, la Società si è avvalsa della possibilità di non effettuare l'imputazione al conto economico dell'intera quota di ammortamento della voce "Fabbricati". Si osserva che la quota di ammortamento potenzialmente eseguibile, nell'esercizio in commento, è rappresentata dall'importo di euro 197.084.

Preme, in ogni caso, osservare che, indipendentemente dall'applicazione di tale norma e quindi anche ove stanziato il precitato ammortamento, la società avrebbe conseguito, nell'esercizio 2020, un utile significativo, nonostante la situazione emergenziale dovuta alla pandemia.

La mancata allocazione del suddetto ammortamento, in ogni caso, non comporta per la Società problematiche ascrivibili alla vita utile del cespite o problematiche di impairment a seguito di tale scelta

Si precisa, inoltre, che la Società ha deciso di avvalersi di questa norma emergenziale al fine di favorire una rappresentazione economico-patrimoniale dell'impresa più consona al suo reale valore mitigando, in questa maniera, almeno in parte ed in modo indiretto l'effetto negativo causato dal COVID-19.

La Società ha inteso destinare l'intero utile netto d'esercizio alla riserva legale che risulta pertanto indisponibile ai sensi di Legge. Di detto utile la quota di euro 197.084 verrà allocata a Riserva Indisponibile.

Operazioni di locazione finanziaria

Conformemente alle indicazioni fornite dal principio contabile O.I.C. n. 1 - "I principali effetti della riforma del diritto societario sulla redazione del bilancio d'esercizio", nella tabella riportata di seguito nota sono fornite le informazioni sugli effetti che si sarebbero prodotti sul patrimonio netto e sul conto economico rilevando l'operazione di locazione finanziaria di cui sotto con il metodo finanziario rispetto al criterio cosiddetto patrimoniale dell'addebito al conto economico dei canoni corrisposti.

Sussiste il contratto di locazione finanziaria n. 6090079 sottoscritto in data 20/05/2016 con Ubi Leasing SpA. L'effetto del contratto è decorso dal 01/01/2017. Detto contratto è stato integrato in data 06/04/2017 con l'inclusione di ulteriori spese relative all'acquisto del bene.

In data 26 Maggio 2020 la Società ha richiesto la sospensione, in virtù dell'intervento legislativo conseguente all'emergenza Codic-19, della sola quota capitale inclusa nei canoni di locazione finanziaria per 6 (sei) mesi, fermo restando il pagamento della quota di interessi.

Caratteristiche del contratto di Leasing:

Oggetto della locazione nella sua originale versione: contratto di locazione n. 6090079, sottoscritto con UBI Leasing, prevede un corrispettivo di euro 2.495.854, oltre IVA di legge, un canone anticipato alla firma di euro 263.000, oltre IVA di legge, un corrispettivo trimestrale di euro 47.508, oltre IVA di legge, portato da n. 47 rate ed un prezzo di opzione finale di euro 249.500, anch'esso oltre IVA di Legge. Per effetto della suddetta richiesta, il contratto di leasing in oggetto risulta prorogato di sei mesi. A seguito di tale sospensione, si è provveduto al ricarico del risconto attivo riferito al maxi canone iniziale.

A titolo informativo forniamo il seguente prospetto contabile ai sensi dell'art.2427 (punto 22) cod. civ. per il periodo dal 01/01 /2020 al 31/12/2020. Valori espressi in Euro.

SCRITTURA EFFETTO LEASING	DARE	AVERE
TERRENI E FABBRICATI - 3,50%	2.495.000	
FONDO AMM. FABBRICATI - 3,50%		291.830
CANONI LEASING		104.461
MAXI CANONI		21.518
RISCONTI ATTIVI MAXI CANONI		175.733
AMMORTAMENTO IAS	87.325	
INTERESSI PASSIVI	24.062	
RISERVA PN		193.884
IMPOSTE ESERCIZIO	547	
FONDO IMPOSTE DIFFERITE		98.526
DEBITO RESIDUO (RISCATTO)		249.500
DEBITO RESIDUO (VAL. ATT. CANONI)		1.471.482
TOTALE	2.606.934	2.606.934

A titolo informativo indichiamo il prospetto riferito all'esercizio in corso:

Quota capitale riferita ai canoni maturati nel periodo	80.399
Quota di interessi di competenza del periodo (A)	28.407
Quota interessi di competenza relativa alla indicizzazioni (credito -B)	-4.345
(A)-(B)	24.062
Valore attuate dei canoni a scadere (C)	1.471.482
Valore attuale del prezzo di opzione di acquisto (D)	249.500
(C) + (D)	1.720.982

Immobilizzazioni finanziarie

Movimenti di partecipazioni, altri titoli e strumenti finanziari derivati attivi immobilizzati

Nella seguente tabella vengono esposte le movimentazioni delle immobilizzazioni in oggetto.

	Partecipazioni in imprese collegate	Partecipazioni in altre imprese	Totale Partecipazioni
Valore di inizio esercizio			
Costo	1.603.014	33.710	1.636.724
Svalutazioni	1	30.000	30.001
Valore di bilancio	1.603.013	3.710	1.606.723

	Partecipazioni in imprese collegate	Partecipazioni in altre imprese	Totale Partecipazioni
Valore di fine esercizio			
Costo	1.603.014	33.710	1.636.724
Svalutazioni	1	30.000	30.001
Valore di bilancio	1.603.013	3.710	1.606.723

Variazioni e scadenza dei crediti immobilizzati

Nella seguente tabella vengono espone le movimentazioni delle immobilizzazioni in oggetto.

I crediti immobilizzati verso altri si riferiscono principalmente a depositi cauzionali.

	Valore di inizio esercizio	Variazioni nell'esercizio	Valore di fine esercizio	Quota scadente entro l'esercizio
Crediti immobilizzati verso altri	18.311	2.420	20.731	20.731
Totale crediti immobilizzati	18.311	2.420	20.731	20.731

Dettagli sulle partecipazioni immobilizzate in imprese collegate

Nel seguente prospetto sono indicate le partecipazioni relative ad imprese collegate nonché le ulteriori indicazioni richieste dall'art 2427 del codice civile.

Denominazione	Città, se in Italia, o Stato estero	Capitale in euro	Utile (Perdita) ultimo esercizio in euro	Patrimonio netto in euro	Quota posseduta in euro	Quota posseduta in %	Valore a bilancio o corrispondente credito
MB MAANSHAN	CINA	4.000.000	3.482.571	10.478.785	4.191.514	40,00%	1.603.013
Totale							1.603.013

Relativamente alla partecipazione nella società M.B. (Maanshan) Special Cables Co. LTD (il cui patrimonio netto alla data dell'ultimo bilancio approvato al 31.12.2020, e pari a circa € 10.478.782 (valore calcolato mediante applicazione del tasso di cambio, valorizzato dalla Banca d'Italia alla data del 31.12.2020 in 8,0225 Yuan Renminbi / Euro), durante l'esercizio 2016 è stato concluso un Contratto di Joint Venture con un Partner Cinese che ha previsto la cessione allo stesso della quota rappresentante il 60% del capitale della partecipata. Ai nuovi partner cinesi è stata concessa una call-option su un ulteriore 20% di partecipazione, da esercitarsi nel termine decadenziale di cinque anni dalla data di sottoscrizione dell'accordo.

Si ritiene che il valore iscritto a bilancio sia più che puntuale anche in ragione della call-option sottoscritta con il socio di maggioranza cinese che assegna all'azione oggetto della clausola un prezzo di esercizio superiore alla valutazione in bilancio.

Si osserva, che alla data del 31.12.2020, la Società in questione ha indicato un utile di esercizio espresso in Yuan Renminbi pari a 27.937.182,62 pari a circa € 3.482.570,75 - valore calcolato mediante applicazione del tasso di cambio, valorizzato dalla Banca d'Italia alla data del 31.12.2020 in 8,0225 Yuan Renminbi / Euro.

Dettagli sulle partecipazioni immobilizzate in altre imprese

Quanto alla partecipazione in altre imprese, del valore di euro 3.710, si osserva la composizione:

- **INN.TEC. S.R.L.** - Consorzio per innovazione tecnologica con sede in Brescia, Piazza Paolo VI, 16.

Valore al 01.01.2020 2.600 euro

Valore al 31.12.2020 2.600 euro

- **ISFOR 2000 S.C.P.A.** con sede in Brescia, Via Pietro Nenni, 30.

Valore al 01.01.2020 1.000 euro

Valore al 31.12.2020 1.000 euro

- **CONAI** (Consorzio Nazionale Imballaggi)

Valore al 01.01.2020 110 euro

Valore al 31.12.2020 110 euro

- **ASSOCAAF S.P.A.** con sede in Milano - Via Chiaravalle, 8 - Capitale Sociale Euro 156.000 Quota posseduta 1 azione da Euro 0,52

Valore al 01.01.2020 0,52 euro

Valore al 31.12.2020 0,52 euro

Valore delle immobilizzazioni finanziarie

Le immobilizzazioni finanziarie presenti in bilancio non sono state iscritte ad un valore superiore al loro "fair value".

Attivo circolante

Gli elementi dell'attivo circolante sono valutati secondo quanto previsto dai numeri da 8 a 11-bis dell'articolo 2426 del codice civile. I criteri utilizzati sono indicati nei paragrafi delle rispettive voci di bilancio.

Rimanenze

Le rimanenze di beni sono valutate al minore tra il costo di acquisto e/o di produzione e il valore di realizzo desumibile dall'andamento del mercato.

Il costo di acquisto comprende gli eventuali oneri accessori di diretta imputazione.

Il costo di produzione non comprende i costi di indiretta imputazione in quanto questi ultimi non sono risultati imputabili secondo un metodo oggettivo.

Si rammenta che durante l'esercizio 2019 è stato modificato il metodo di determinazione della valorizzazione delle rimanenze; in luogo del metodo LIFO adottato fino al bilancio chiuso al 31.12.2018, nell'esercizio 2019 si è provveduto ad adottare il principio secondo cui le rimanenze risultano iscritte al costo di acquisto o di produzione, calcolato secondo il numero 1) dell'art. 2426 c.c., ovvero al valore di realizzazione desumibile dall'andamento del mercato, se minore.

Gli acconti ai fornitori per l'acquisto di beni rientranti nelle rimanenze iscritti nella voce C.1.5 sono rilevati inizialmente alla data in cui sorge l'obbligo al pagamento di tali importi o, in assenza di un tale obbligo, al momento in cui sono versati.

Nella seguente tabella vengono esposte le informazioni relative alle variazioni delle rimanenze.

	Valore di inizio esercizio	Variazione nell'esercizio	Valore di fine esercizio
Materie prime, sussidiarie e di consumo	5.875.564	(69.932)	5.805.632
Prodotti in corso di lavorazione e semilavorati	3.559.555	(1.172.375)	2.387.180
Prodotti finiti e merci	4.317.316	2.030.947	6.348.263
Acconti	-	335.823	335.823
Totale rimanenze	13.752.435	1.124.463	14.876.898

Il valore delle voci esposte nella tabella precedente è riportato al netto del relativo Fondo Obsolescenza (431.562 EUR), e in più in dettaglio:

	Valore di inizio esercizio	Variazioni nell'esercizio	Valore di fine esercizio
F.do Obsolesc.magazz.M.P.	(250.000)	-	(250.000)
F.do Obsol.magazz.SEMIL.	(100.000)	-	(100.000)
F.do Obsolesc.magazz.P.F.	(81.562)	-	(81.562)
Totale	(431.562)		(431.562)

Il valore del fondo è congruo in relazione alle analisi effettuate sul valore recuperabile delle giacenze.

Crediti iscritti nell'attivo circolante

Variazioni e scadenza dei crediti iscritti nell'attivo circolante

I crediti iscritti nell'attivo circolante sono stati rilevati in bilancio secondo il criterio del costo ammortizzato, come definito dall'art.2426 c.2 c.c., tenendo conto del fattore temporale e del valore di presumibile di realizzo, conformemente a quanto previsto dall'art. 2426, comma 1, n. 8 del codice civile.

L'adeguamento al presumibile valore di realizzo è stato effettuato mediante lo stanziamento di un fondo svalutazione crediti.

Per i crediti per i quali sia stata verificata l'irrilevanza dell'applicazione del metodo del costo ammortizzato e/o dell'attualizzazione ai fini dell'esigenza di dare una rappresentazione veritiera e corretta della situazione patrimoniale ed economica societaria, è stata mantenuta l'iscrizione secondo il presumibile valore di realizzo. Tale evenienza si è verificata ad esempio in presenza di crediti con scadenza inferiore ai dodici mesi o, in riferimento al criterio del costo ammortizzato, nel caso in cui i costi di transazione, le commissioni e ogni altra differenza tra valore iniziale e valore a scadenza sono di scarso rilievo o, ancora, nel caso di attualizzazione, in presenza di un tasso di interesse desumibile dalle condizioni contrattuali non significativamente diverso dal tasso di interesse di mercato.

Nella seguente tabella vengono esposte le informazioni relative alle variazioni dei crediti iscritti nell'attivo circolante nonché, se significative, le informazioni relative alla scadenza degli stessi.

	Valore di inizio esercizio	Variazione nell'esercizio	Valore di fine esercizio	Quota scadente entro l'esercizio
Crediti verso clienti iscritti nell'attivo circolante	14.744.534	(383.418)	14.361.116	14.361.116
Crediti verso imprese collegate iscritti nell'attivo circolante	7.288.176	(51.207)	7.236.969	7.236.969
Crediti verso imprese controllanti iscritti nell'attivo circolante	1.084.577	(684.726)	399.851	399.851
Crediti tributari iscritti nell'attivo circolante	1.007.590	432.184	1.439.774	1.439.774
Attività per imposte anticipate iscritte nell'attivo circolante	332.665	24.190	356.855	
Crediti verso altri iscritti nell'attivo circolante	62.563	137.375	199.938	199.938
Totale crediti iscritti nell'attivo circolante	24.520.105	(525.602)	23.994.503	23.637.648

I crediti ammontano a complessivi € 23.994.503, espressi in bilancio al netto del relativo Fondo svalutazione crediti che, al 31.12.2020, ammontava ad € 800.000.

Essi sono rappresentati da:

- **crediti verso clienti, per complessivi € 14.361.116**, espressi in bilancio al netto del succitato Fondo svalutazione crediti, così composti:
 - § crediti verso clienti Italia per € 9.288.759 di cui a mezzo factoring € 3.718.744,19 e rettificati dalla posta in conto anticipi da IFITALIA per € 94.785;
 - § crediti verso clienti UE per € 2.616.341;
 - § crediti verso clienti extra UE per € 2.926.203;
 - § crediti verso clienti per effetti in portafoglio e effetti SBF posti all'incasso per € 524.715;
 - § Anticipi da clienti IFI: € (94.785)
 - § Clienti merger: € 3.439;
 - § partite da liquidare per € (15) composte da fatture da emettere per € 70.534 e note di credito da emettere per € 70.549;
 - § differenze cambio su crediti vs clienti per € (100.102).
- Come da premessa, risultano stanziati fondi svalutazione crediti per € 800.000 (€ 1.000.000 al 31.12.2019) che si ritengono adeguati alla possibile manifestazione di perdita in relazione all'appostazione di crediti verso clienti problematici.
- **crediti verso imprese collegate, per complessivi € 7.236.969**. Trattasi di crediti aventi natura commerciale verso la società " MB MAANSHAN SPECIAL CABLE LTD" per € 6.494.642, verso Sterlite Tech Cables Solutions Ltd per € 736.000, verso Sterlite Technologies Limited-Dadra per € 6.327;
- **crediti verso imprese controllanti, per complessivi € 399.851**. Trattasi di crediti aventi natura finanziarie e/o riferiti all'effetto di consolidamento fiscale verso la società "STERLITE TECHNOLOGIES S.P.A.";
- **crediti tributari per € 1.439.774** portati da:
 - § erario c/ Irap € 1.258;
 - § erario c/ Ires per € 56.722;
 - § erario c.to Iva per € 1.220.599;
 - § erario c/rimborso imposte per € 13.724;
 - § credito imposta R&S L.190/14 per € 143.367;
 - § credito per ritenute fiscali subite per € 38;
 - § crediti per sanificazione da emergenza Covid per € 4.066.

– **imposte anticipate per € 356.855**, di seguito dettagliate:

Tipologia	Imponibile	Aliquota	Stato Patrimoniale
F.do Obsolesc.magazz.M.P.	250.000	24,00%	60.000
F.do Obsol.magazz.SEMIL.	100.000	24,00%	24.000
F.do Obsolesc.magazz.P.F	81.562	24,00%	19.575
F.do Svalutazione Crediti	724.543	24,00%	173.890
F.do Rischi ed oneri	30.000	24,00%	7.200
Perdite diff. cambio	99.971	24,00%	23.950
Bonus ai dipendenti	201.000	24,00%	48.240
Totale	1.487.076		356.855

Le Imposte Anticipate sono calcolate mediante l'utilizzo della vigente aliquota IRES del 24%.

- **crediti verso altri per € 199.938** portati da:
- § crediti verso dipendenti per prestiti per € 10.622;
 - § crediti verso altri per € 2.034;
 - § depositi cauzionali verso Telecom per € 900;
 - § anticipi a fornitori per € 181.468;
 - § credito verso Inail per € 3.019;
 - § Fasi c/versamenti per € 1.895.

Detti crediti hanno scadenza entro i dodici mesi.

Suddivisione dei crediti iscritti nell'attivo circolante per area geografica

Nella seguente tabella viene esposta la ripartizione per area geografica dei crediti iscritti nell'attivo circolante.

Area geografica	Italia	UE	Extra UE	F.do svalutazione crediti	Totale
Crediti verso clienti iscritti nell'attivo circolante	9.618.572	2.616.341	2.926.203	(800.000)	14.361.116
Crediti verso collegate iscritti nell'attivo circolante	-	-	7.236.969	-	7.236.969
Crediti verso controllanti iscritti nell'attivo circolante	-	-	399.851	-	399.851
Crediti tributari iscritti nell'attivo circolante	1.439.774	-	-	-	1.439.774
Attività per imposte anticipate iscritte nell'attivo circolante	356.855	-	-	-	356.855
Crediti verso altri iscritti nell'attivo circolante	199.938	-	-	-	199.938
Totale crediti iscritti nell'attivo circolante	11.615.139	2.616.341	10.563.023	(800.000)	23.994.503

Disponibilità liquide

Le disponibilità liquide sono valutate al valor nominale rappresentativo del valore di realizzo.

Nella seguente tabella vengono espresse le informazioni relative alle variazioni delle disponibilità liquide.

	Valore di inizio esercizio	Variazione nell'esercizio	Valore di fine esercizio
Depositi bancari e postali	2.127.285	420.450	2.547.735
Denaro e altri valori in cassa	1.738	(720)	1.018
Totale disponibilità liquide	2.129.023	419.730	2.548.753

Ratei e risconti attivi

I ratei e risconti sono stati calcolati sulla base del principio della competenza, mediante la ripartizione dei ricavi e/o costi comuni a due esercizi.

Nella seguente tabella vengono esposte le informazioni relative alle variazioni dei ratei e risconti attivi.

	Valore di inizio esercizio	Variazione nell'esercizio	Valore di fine esercizio
Ratei attivi	146	(36)	110
Risconti attivi	306.485	(3.283)	303.202
Totale ratei e risconti attivi	306.631	(3.319)	303.312

I ratei e risconti attivi sono stati calcolati secondo il criterio del "tempo economico" dal momento che le prestazioni contrattuali ricevute non hanno un contenuto economico costante nel tempo e quindi la ripartizione del costo (e dunque l'attribuzione all'esercizio in corso della quota parte di competenza) è effettuata in rapporto alle condizioni di svolgimento della gestione come precisato nel principio contabile OIC 18.

I risconti attivi per € 175.733 si riferiscono al maxi canone leasing sul cespite immobiliare di Dello, concesso in locazione finanziaria da UBI Lessing SpA.

Oneri finanziari capitalizzati

Tutti gli interessi e gli altri oneri finanziari sono stati interamente spesi nell'esercizio. Ai fini dell'art. 2427, c. 1, n. 8 del codice civile si attesta quindi che non sussistono capitalizzazioni di oneri finanziari.

Nota integrativa, passivo e patrimonio netto

Le poste del patrimonio netto e del passivo dello stato patrimoniale sono state iscritte in conformità ai principi contabili nazionali; nelle sezioni relative alle singole poste sono indicati i criteri applicati nello specifico.

Patrimonio netto

Variazioni nelle voci di patrimonio netto

Le voci sono esposte in bilancio al loro valore contabile secondo le indicazioni contenute nel principio contabile OIC 28.

Con riferimento all'esercizio in chiusura nelle tabelle seguenti vengono esposte le variazioni delle singole voci del patrimonio netto, nonché il dettaglio delle altre riserve, se presenti in bilancio.

	Valore di inizio esercizio	Destinazione del risultato dell'esercizio precedente		Risultato d'esercizio	Valore di fine esercizio
			Altre destinazioni		
Capitale	7.000.000	-			7.000.000
Riserve di rivalutazione	6.083.284	(6.083.284)			-
Riserva legale	2.045.966	(2.045.966)			-
Altre riserve					
Riserva straordinaria	17.991.202	(19.799.930)			(1.808.728)
Totale altre riserve	17.991.202	(19.799.930)			(1.808.728)
Utile (perdita) dell'esercizio	3.655.735	(3.655.735)		3.076.174	3.076.174
Totale patrimonio netto	36.776.187	(31.584.915)		3.076.174	8.267.446

La riserva indicata sotto la voce "Riserva Straordinaria" pari ad euro (1.808.728) (valore negativo) trova origine dalla Fusione Inversa, infra descritta, avvenuta mediante incorporazione della società controllante "Sterlite Technologies SpA". Trattasi, di conseguenza, di "Riserva Straordinaria di Fusione".

Disponibilità e utilizzo del patrimonio netto

Nei seguenti prospetti sono analiticamente indicate le voci di patrimonio netto, con specificazione della loro origine, possibilità di utilizzazione e distribuibilità, nonché della loro avvenuta utilizzazione nei precedenti tre esercizi.

	Importo	Origine / natura	Possibilità di utilizzazione	Quota disponibile
Capitale	7.000.000	Capitale		-
Riserve di rivalutazione	-	Capitale	A;B	-
Riserva legale	-	Utili	A;B	-
Altre riserve				
Riserva straordinaria	(1.808.728)	Utili	A;B;C	(1.808.728)
Totale altre riserve	(1.808.728)	Utili	A;B;C	(1.808.728)
Totale	5.191.272			(1.808.728)
Quota non distribuibile				(1.808.728)

Legenda: A: per aumento di capitale B: per copertura perdite C: per distribuzione ai soci D: per altri vincoli statuari E: altro

Tutte le azioni sottoscritte sono state interamente versate.

Il risultato di esercizio 2019, pari ad € 3.655.735 fu computato, dall'Assemblea Ordinaria degli Azionisti tenutasi in data 06 /05/2020, alla Riserva Straordinaria.

Durante il corso dell'esercizio è stato dato corso alla procedura di Fusione Inversa mediante incorporazione della società controllante "Sterlite technologies SpA". Poiché la società incorporata "STERLITE TECHNOLOGIES S.P.A." è ricorso

all'indebitamento per acquisire il controllo della società incorporante "METALLURGICA BRESCIANA S.P.A. (in punto, ha contratto le sottoindicate posizioni debitorie con il Sistema Bancario al fine della predetta acquisizione: i) posizione contratta con la Banca ICICI BANG UK PLC per Euro 23.000.000,00 avente scadenza nazionale Marzo 2025 e ii) posizione contratta con la Banca CITIBANK N.A. FILIALE DI MILANO, per Euro 20.000.000,00 avente scadenza nazionale gennaio 2024) e considerato che il patrimonio della società incorporante verrà a costituire, a seguito e per effetto della fusione, garanzia generica e fonte di rimborso del predetto indebitamento, sono state attuate le procedure indicate dal codice civile e, precisamente ai sensi dell'art. 2501 bis, comma 5, cod. civ., è stata eseguita la relazione del soggetto incaricato della revisione legale dei conti della società obiettivo e della società acquirente nonché è stata richiesta al Tribunale di Brescia la nomina dell'esperto il quale ha redatto attestazione sulla congruità del rapporto di cambio di cui all'art. 2501 sexies cod. civ. e sulla ragionevolezza delle indicazioni contenute nel progetto di fusione in merito alle risorse previste per il soddisfacimento del debito della società incorporante, ai sensi dell'art. 2501 bis, commi 2 e 4, cod. civ..

Segnaliamo che ai sensi dell'art. 2504 bis, comma 3, cod. civ., le operazioni delle società partecipanti alla fusione sono state imputate al bilancio della società incorporante a far tempo dal primo giorno dell'esercizio dell'incorporante nel corso del quale la fusione avrà efficacia, quindi a fare data 1 gennaio 2020.

Segnaliamo, inoltre, che a seguito dell'atto di fusione del 23 novembre 2020, è stato adottato il capitale sociale della società incorporata di euro 5.050.000 con elisione delle poste del patrimonio netto della società Metallurgica Bresciana ai fini dell'annullamento della partecipazione dell'incorporata; successivamente, in data 18 dicembre 2020 l'Assemblea Straordinaria della Società ha provveduto a deliberare l'aumento di capitale sociale riportandolo ad € 7.000.000.

Ai fini comparativi di seguito si riportano le variazioni nelle voci del patrimonio netto dell'esercizio 2019:

	Valore di inizio esercizio	Destinazione del risultato dell'es. prec. - Altre destinazioni	Risultato d'esercizio	Valore di fine esercizio
Capitale	7.000.000	-	-	7.000.000
Riserve di rivalutazione	6.083.284	-	-	6.083.284
Riserva legale	2.045.966	-	-	2.045.966
Riserva straordinaria	14.615.251	3.375.951	-	17.991.202
Totale altre riserve	14.615.251	3.375.951	-	17.991.202
Utile (perdita) dell'esercizio	3.375.951	(3.375.951)	3.655.735	3.655.735
Totale	33.120.452	-	3.655.735	36.776.187

Tale Tabella viene inserita per completezza descrittiva anche se, a seguito della intervenuta fusione inversa, infra descritta, mediante incorporazione della società controllante "Sterlite technologies SpA", rende di fatto poco comparabili i dati risultanti alla fine del corrente esercizio con quelli indicati nell'esercizio chiuso al 31.12.2019.

Fondi per rischi e oneri

I fondi per rischi e oneri sono stati stanziati a copertura delle passività la cui esistenza è ritenuta certa o probabile, per le quali alla chiusura dell'esercizio non sono determinabili l'ammontare o la data di sopravvenienza.

La costituzione dei fondi è stata effettuata in base ai principi di prudenza e di competenza, osservando le prescrizioni del principio contabile OIC 31. Gli accantonamenti correlati sono rilevati nel conto economico dell'esercizio di competenza, in base al criterio di classificazione "per natura" dei costi.

Nella seguente tabella vengono espone le informazioni relative alle variazioni dei fondi per rischi e oneri.

	Fondo per trattamento di quiescenza e obblighi simili	Fondo per imposte anche differite	Strumenti finanziari derivati passivi	Altri fondi	Totale fondi per rischi e oneri
Valore di inizio esercizio	218.282	-	46.374	30.000	294.656
Variazioni nell'esercizio					
Accantonamento nell'esercizio	-	816.464	-	-	816.464
Totale variazioni	-	816.464	-	-	816.464
Valore di fine esercizio	218.282	816.464	46.374	30.000	1.111.120

Altri fondi

Nel seguente prospetto è illustrata la composizione della voce di cui in oggetto, in quanto risultante iscritta in bilancio, ai sensi dell'art. 2427 c.1 del codice civile.

Descrizione	Dettaglio	Importo esercizio corrente
<i>altri</i>		
	Fondo rischi ed oneri	30.000
	Totale	30.000

Trattamento di fine rapporto di lavoro subordinato

Il TFR è stato calcolato conformemente a quanto previsto dall'art. 2120 del codice civile, tenuto conto delle disposizioni legislative e delle specificità dei contratti e delle categorie professionali, e comprende le quote annue maturate e le rivalutazioni effettuate sulla base dei coefficienti ISTAT.

L'ammontare del fondo è rilevato al netto degli acconti erogati e delle quote utilizzate per le cessazioni del rapporto di lavoro intervenute nel corso dell'esercizio e rappresenta il debito certo nei confronti dei lavoratori dipendenti alla data di chiusura del bilancio.

Nella seguente tabella vengono esposte le informazioni relative alle variazioni del trattamento di fine rapporto di lavoro subordinato.

Trattamento di fine rapporto di lavoro subordinato	
Valore di inizio esercizio	723.561
Variazioni nell'esercizio	
Accantonamento nell'esercizio	394.892
Utilizzo nell'esercizio	508.306
Altre variazioni	(21.539)
Totale variazioni	(134.953)
Valore di fine esercizio	588.608

Debiti

Variazioni e scadenza dei debiti

I debiti sono stati rilevati in bilancio secondo il criterio del costo ammortizzato, come definito dall'art.2426 c.2 c.c., tenendo conto del fattore temporale, conformemente a quanto previsto dall'art. 2426, comma 1, n. 8 del codice civile. Per i debiti per i quali sia stata verificata l'irrilevanza dell'applicazione del metodo del costo ammortizzato e/o dell'attualizzazione, ai fini dell'esigenza di dare una rappresentazione veritiera e corretta della situazione patrimoniale ed economica societaria, è stata mantenuta l'iscrizione secondo il valore nominale. Tale evenienza si è verificata ad esempio in presenza di debiti con scadenza inferiore ai dodici mesi o, in riferimento al criterio del costo ammortizzato, nel caso in cui i costi di transazione, le commissioni e ogni altra differenza tra valore iniziale e valore a scadenza sono di scarso rilievo o, ancora, nel caso di attualizzazione, in presenza di un tasso di interesse desumibile dalle condizioni contrattuali non significativamente diverso dal tasso di interesse di mercato.

Nella seguente tabella vengono esposte le informazioni relative alle variazioni dei debiti e le eventuali informazioni relative alla scadenza degli stessi.

	Valore di inizio esercizio	Variazione nell'esercizio	Valore di fine esercizio	Quota scadente entro l'esercizio	Quota scadente oltre l'esercizio
Debiti verso banche	12.744.148	36.241.541	48.985.689	11.515.689	37.470.000
Acconti	71.432	(54.576)	16.856	16.856	-
Debiti verso fornitori	5.238.260	1.908.530	7.146.790	7.146.790	-
Debiti verso imprese collegate	-	1.053	1.053	1.053	-

	Valore di inizio esercizio	Variazione nell'esercizio	Valore di fine esercizio	Quota scadente entro l'esercizio	Quota scadente oltre l'esercizio
Debiti verso controllanti	1.577.249	1.679.287	3.256.536	3.256.536	-
Debiti tributari	204.314	77.555	281.869	281.869	-
Debiti verso istituti di previdenza e di sicurezza sociale	424.434	(110.789)	313.645	313.645	-
Altri debiti	887.140	(22.455)	864.685	864.685	-
Totale debiti	21.146.977	39.720.146	60.867.123	23.397.123	37.470.000

Debiti verso banche

Nella seguente tabella viene presentata la suddivisione della voce "Debiti verso banche".

Voce	Debiti per conto corrente	Debiti per finanziamenti a medio termine	Debiti per finanziamenti a lungo termine	Totale
4)	73.154	11.442.535	37.470.000	48.985.689

Gli acconti per complessivi € 16.856 sono interamente portati da portati da anticipi da clienti;

Debiti verso fornitori

I debiti verso fornitori, per complessivi € 7.146.790 risultano così composti:

- debiti verso fornitori Italia per € 3.753.320;
- debiti verso fornitori UE per € 563.174;
- debiti verso fornitori extra UE per € 1.505.088;
- debiti per fatture da ricevere per € 1.337.485;
- crediti per note di credito da ricevere per € (12.277).

I debiti verso imprese collegate per complessivi € 1.053 risultano intestati alla collegata JIANGSU HESHILI NEW MATERIAL CO LTD;

I debiti verso imprese controllanti per complessivi € 3.256.536 risultano intestati alla Controllante diretta "Sterlite Technologies LTD";

Debiti tributari

I debiti tributari per complessivi € 281.869 risultano portati dalle seguenti voci:

- Debiti per IRAP € 14.823;
- Debito per Ires (10);
- Debiti per ritenute operate sul lavoro dipendente € 236.737;
- Debiti per ritenute operate sul lavoro dei collaboratori € 4.479;
- Debiti per addizionale Irpef € 2.442;
- Debiti per ritenute d'acconto operate € 18.735;
- Debiti per Imposta sostitutiva su TFR € 4.663.

Debiti verso Istituti di previdenza e sicurezza sociale

I debiti verso Istituti Previdenziali per € 313.645 sono così composti:

- Inps C/Versamenti € 157.444;
- Previdai C/Versamenti € 12.274;
- Fondo Gomma Plastica € 22.813;
- TFR fondi assicurativi € 6.992;

TFR Fondo tesoreria Inps € 31.885;
 Fondo FASG&P € 112;
 Ratei Passivi per debiti vs istituti previdenziali € 73.824;
 Enasarco C/Versamenti € 7.431;
 Debiti per trattenute sindacali € 870.

Altri debiti

Nella seguente tabella viene presentata la suddivisione della voce "Altri debiti".

Descrizione	Dettaglio	Importo esercizio corrente
<i>Altri debiti</i>		
	Debito Verso Associazione Industria	2.482
	Debiti verso emittenti carte di credito	2.542
	Ratei Passivi Debito Manodopera	250.510
	Debito Verso ASSOGOMMA	48
	Amministratori c/competenze	5.937
	Dipendenti C/Ributuzioni	603.166
	Totale	864.685

Suddivisione dei debiti per area geografica

Nella seguente tabella viene esposta la ripartizione per area geografica dei debiti.

Area geografica	Italia	UE	Extra UE	Totale
Debiti verso banche	48.985.689	-	-	48.985.689
Acconti	16.856	-	-	16.856
Debiti verso fornitori	5.068.315	563.174	1.515.301	7.146.790
Debiti verso imprese collegate	-	-	1.053	1.053
Debiti verso imprese controllanti	-	-	3.256.536	3.256.536
Debiti tributari	281.869	-	-	281.869
Debiti verso istituti di previdenza e di sicurezza sociale	313.645	-	-	313.645
Altri debiti	864.685	-	-	864.685
Debiti	55.531.059	563.174	4.772.890	60.867.123

Debiti assistiti da garanzie reali su beni sociali

Ai sensi e per gli effetti dell'art. 2427, c. 1 n. 6 del codice civile, si attesta che non esistono debiti sociali assistiti da garanzie reali.

Finanziamenti effettuati da soci della società

Nel seguente prospetto sono indicati i finanziamenti dei soci alla società con separata indicazione di quelli con clausola di postergazione rispetto agli altri creditori.

Al 31/12/2020 non sussistono debiti verso soci per finanziamenti.

Ratei e risconti passivi

I ratei e risconti sono stati calcolati sulla base del principio della competenza, mediante la ripartizione dei costi e/o ricavi comuni a due esercizi.

Nella seguente tabella vengono esposte le informazioni relative alle variazioni dei ratei e risconti passivi.

	Valore di inizio esercizio	Variazione nell'esercizio	Valore di fine esercizio
Ratei passivi	23.636	241.568	265.204
Risconti passivi	168.750	(18.409)	150.341
Totale ratei e risconti passivi	192.386	223.159	415.545

I ratei sono stati calcolati secondo il criterio del "tempo economico" dal momento che le prestazioni contrattuali ricevute non hanno un contenuto economico costante nel tempo e quindi la ripartizione del costo (e dunque l'attribuzione all'esercizio in corso della quota parte di competenza) è effettuata in rapporto alle condizioni di svolgimento della gestione come precisato nel principio contabile OIC 18.

I Ratei e risconti passivi si riferiscono:

- € 212.099, Ratei per interessi su prestiti bancari
- € 150.341, Risconti per Compenso per diritti di superf. Dello/Ubileasing.

Nota integrativa, conto economico

Il conto economico evidenzia il risultato economico dell'esercizio.

Esso fornisce una rappresentazione delle operazioni di gestione, mediante una sintesi dei componenti positivi e negativi di reddito che hanno contribuito a determinare il risultato economico. I componenti positivi e negativi di reddito, iscritti in bilancio secondo quanto previsto dall'articolo 2425-bis del codice civile, sono distinti secondo l'appartenenza alle varie gestioni: caratteristica, accessoria e finanziaria.

L'attività caratteristica identifica i componenti di reddito generati da operazioni che si manifestano in via continuativa e nel settore rilevante per lo svolgimento della gestione, che identificano e qualificano la parte peculiare e distintiva dell'attività economica svolta dalla società, per la quale la stessa è finalizzata.

L'attività finanziaria è costituita da operazioni che generano proventi e oneri di natura finanziaria.

In via residuale, l'attività accessoria è costituita dalle operazioni che generano componenti di reddito che fanno parte dell'attività ordinaria ma non rientrano nell'attività caratteristica e finanziaria.

Valore della produzione

I ricavi e i proventi, i costi e gli oneri sono iscritti al netto dei resi, degli abbuoni, degli sconti e dei premi nel rispetto dei principi di competenza e di prudenza.

I ricavi per operazioni di vendita di beni o prestazioni di servizi sono rilevati quando il processo produttivo dei beni o dei servizi è stato completato e lo scambio è già avvenuto, ovvero si è verificato il passaggio sostanziale e non formale del titolo di proprietà.

I ricavi e i proventi, i costi e gli oneri relativi ad operazioni in valuta sono determinati al cambio a pronti alla data nella quale la relativa operazione è compiuta.

I proventi e gli oneri relativi ad operazioni di compravendita con obbligo di retrocessione a termine, ivi compresa la differenza tra prezzo a termine e prezzo a pronti, sono iscritti per le quote di competenza dell'esercizio.

A fine esercizio non era in corso nessuna operazione di questo tipo.

Suddivisione dei ricavi delle vendite e delle prestazioni per categoria di attività

I ricavi delle vendite sono principalmente riferiti all'attività caratteristica dell'impresa già descritta in apertura della presente nota integrativa.

Tra gli altri ricavi e proventi che possono comunque classificarsi nell'ambito del valore della produzione sono compresi gli eventuali indennizzi e risarcimenti assicurativi, i proventi vari e diversi e gli abbuoni e le sopravvenienze attive da gestione ordinaria imputabili all'esercizio.

Riportiamo a seguire una tabella di confronto tra i ricavi contabilizzati al 31 dicembre 2020 e quelli al 31 dicembre 2019:

Categoria di attività	Valore esercizio corrente	Valore esercizio precedente
Ricavi delle vendite e delle prestazioni	56.023.088	50.587.375
variazioni delle rimanenze di prodotti in corso di lavorazione, semilavorati e finiti	858.571	(6.358.546)*
altri ricavi e proventi	970.503	956.682
Totale	57.852.162	45.185.511

*Si precisa che nel 2019 vi era stata una riclassifica tra la variazione delle rimanenze di prodotti finiti, semilavorati e in corso di lavorazione e la variazione delle rimanenze di materie prime di importo pari a 6.461.373 EUR.

L'impatto delle rimanenze finali a Conto Economico è riportato dalla tabella a seguire:

Categoria di attività	Rimanenza Iniziale	Rimanenza Finale	Variazione delle Rimanenze
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Rimanenza Materie Prime	6.125.564	6.055.632	69.932
Rimanenza Lavori in Corso	3.659.555	2.487.180	1.172.375
Rimanenza Prodotti Finiti e Mercì	4.398.879	6.429.825	(2.030.946)
Totale	14.183.998	14.972.637	(788.639)

Il dettaglio degli Altri ricavi e proventi è riportato dalla Tabella a seguire.

Categoria di attività	Valore Finale
Plusvalenza Vendita Cespiti	96.739
Sopravvenienze attive non competenti l'esercizio	294.594
Sopravvenienze attive ordinarie	565.910
Vendita cespiti	1.150
Rimborso Utilizzo Autoveicoli Uso Promisc	8.901
Sconti , abbuoni e altri proventi	3.209
Totale	970.503

Costi della produzione

I costi ed oneri sono imputati per competenza e secondo natura, al netto dei resi, abbuoni, sconti e premi, nel rispetto del principio di correlazione con i ricavi, ed iscritti nelle rispettive voci secondo quanto previsto dal principio contabile OIC 12. Per quanto riguarda gli acquisti di beni, i relativi costi sono iscritti quando si è verificato il passaggio sostanziale e non formale del titolo di proprietà assumendo quale parametro di riferimento, per il passaggio sostanziale, il trasferimento dei rischi e benefici. Nel caso di acquisto di servizi, i relativi costi sono iscritti quando il servizio è stato ricevuto, ovvero quando la prestazione si è conclusa, mentre, in presenza di prestazioni di servizi continuative, i relativi costi sono iscritti per la quota maturata.

I costi della produzione si riferiscono, principalmente, agli oneri sostenuti per l'espletamento dell'attività produttiva, ai costi per servizi, le cui principali voci sono sotto enunziate, alle spese per il personale dipendente e agli oneri diversi di gestione.

I costi della produzione ammontano a complessivi € 52.594.758 così composti:

- costi per materie prime, sussidiarie, di consumo e merci per € 35.327.288;
- costi per servizi per € 6.751.510;
- costi per godimento di beni di terzi per € 335.467;
- costi per il personale per € 7.657.014;
- ammortamenti per complessivi € 1.903.815;
- variazione delle rimanenze di materie prime, sussidiarie, di consumo e merci per € 69.931;
- oneri diversi di gestione per € 549.733.

Ai fini di una migliore comparabilità, si indica, di seguito la riclassificazione dei valori di conto economico riferiti al valore ed ai costi della produzione 2019, mediante riallocazione dei valori 2019 delle rimanenze finali:

	31/12/2020	31/12/2019
A) Valore della produzione		
1) ricavi delle vendite e delle prestazioni	56.023.088	50.587.375
2) variazioni delle rimanenze di prodotti in corso di lavorazione, semilavorati e finiti	858.571	102.827
5) altri ricavi e proventi	-	-
contributi in conto esercizio	-	509

altri	970.503	956.173
<i>Totale altri ricavi e proventi</i>	<i>970.503</i>	<i>956.682</i>
<i>Totale valore della produzione</i>	<i>57.852.162</i>	<i>51.646.884</i>
B) Costi della produzione		
6) per materie prime, sussidiarie, di consumo e di merci	35.327.288	32.080.859
7) per servizi	6.751.510	4.320.058
8) per godimento di beni di terzi	335.467	418.709
9) per il personale	-	-
a) salari e stipendi	5.041.052	4.987.197
b) oneri sociali	1.522.340	1.473.989
c) trattamento di fine rapporto	394.892	354.765
e) altri costi	698.730	833.146
<i>Totale costi per il personale</i>	<i>7.657.014</i>	<i>7.649.097</i>
10) ammortamenti e svalutazioni	-	-
a) ammortamento delle immobilizzazioni immateriali	97.221	16.599
b) ammortamento delle immobilizzazioni materiali	1.806.594	1.630.630
<i>Totale ammortamenti e svalutazioni</i>	<i>1.903.815</i>	<i>1.647.229</i>
11) variazioni delle rimanenze di materie prime, sussidiarie, di consumo e merci	69.931	101.809
13) altri accantonamenti	-	8.995
14) oneri diversi di gestione	549.733	353.843
<i>Totale costi della produzione</i>	<i>52.594.758</i>	<i>46.580.599</i>
Differenza tra valore e costi della produzione (A - B)	5.257.404	5.066.285

Proventi e oneri finanziari

I proventi e gli oneri finanziari sono iscritti per competenza in relazione alla quota maturata nell'esercizio.

I proventi finanziari ammontano ad € 114 (€ 147 al 31.12.2019) e si riferiscono ad interessi attivi bancari.

Gli oneri finanziari ammontano ad € 1.259.166 (€ 205.745 al 31.12.2019) e si riferiscono principalmente ad interessi passivi bancari e su finanziamenti, come più oltre dettagliato.

Composizione dei proventi da partecipazione

Non sussistono proventi da partecipazioni di cui all'art. 2425, n. 15 del codice civile.

Ripartizione degli interessi e altri oneri finanziari per tipologia di debiti

Nel seguente prospetto si dà evidenza degli interessi e degli altri oneri finanziari di cui all'art. 2425, n. 17 del codice civile, con specifica suddivisione tra quelli relativi a prestiti obbligazionari, ai debiti verso banche ed a altre fattispecie.

	Interessi e altri oneri finanziari
Debiti verso banche	1.149.311
Altri	109.855
Totale	1.259.166

Utili/perdite su cambi

Si riportano di seguito le informazioni relative agli utili o perdite su cambi distinguendo la parte realizzata dalla parte derivante da valutazioni delle attività e passività in valuta iscritte in bilancio alla fine dell'esercizio.

I crediti e i debiti non immobilizzati espressi originariamente in valute estere, non aderenti all'UEM (Unione Monetaria Europea), sono iscritti in base ai cambi in vigore alla data in cui sono sorti e sono allineati ai cambi correnti alla chiusura del bilancio.

La partecipazione nella collegata cinese risulta iscritta al valore di cambio alla data di sottoscrizione del capitale sociale; nessun adeguamento è stato effettuato nell'esercizio.

In particolare, le attività e passività che non costituiscono immobilizzazioni sono iscritte al tasso di cambio a pronti alla data di chiusura dell'esercizio. Gli utili e le perdite che derivano dalla conversione dei crediti e dei debiti sono rispettivamente accreditati e addebitati al Conto Economico, tra i proventi e oneri finanziari, alla voce C 17-bis) Utili e perdite su cambi.

Descrizione	Importo in bilancio	Parte valutativa	Parte realizzata
<i>utili e perdite su cambi</i>	<i>29.451-</i>		
Utile su cambi		-	239.964
Perdita su cambi		-	269.415
Totale voce		-	29.451-

Importo e natura dei singoli elementi di ricavo/costo di entità o incidenza eccezionali

Nel seguente prospetto sono indicati l'importo e la natura dei singoli elementi di ricavo di entità o incidenza eccezionali.

Voce di ricavo	Importo	Natura
Altri ricavi	294.594	Sopravvenienze attive non competenti l'esercizio
Altri ricavi	565.910	Sopravvenienze ordinarie
Imposte correnti	83.050	Sopravvenienza attiva ordinaria non tassabile

Le sopravvenienze attive "non di competenza esercizio" (294.593,51 EUR) si riferiscono essenzialmente a 183.181,21 EUR di rettifiche a fatture da ricevere stanziati in esercizi precedenti al 2018 e 61.910,54 EUR di provvigioni relative al 2019 che non hanno maturato i criteri di esigibilità.

Le sopravvenienze attive di competenza dell'esercizio si riferiscono essenzialmente a 200.000 EUR di rilascio fondi svalutazione crediti.

Nel seguente prospetto sono indicati l'importo e la natura dei singoli elementi di costo di entità o incidenza eccezionali.

Voce di costo	Importo	Natura
Oneri diversi di gestione	88.499	Sopravvenienze passive non competenti l'esercizio

Imposte sul reddito d'esercizio, correnti, differite e anticipate

La società ha provveduto allo stanziamento delle imposte dell'esercizio sulla base dell'applicazione delle norme tributarie vigenti. Le imposte correnti si riferiscono alle imposte di competenza dell'esercizio così come risultanti dalle dichiarazioni fiscali; le imposte relative ad esercizi precedenti includono le imposte dirette di esercizi precedenti, comprensive di interessi e sanzioni e sono inoltre riferite alla differenza positiva (o negativa) tra l'ammontare dovuto a seguito della definizione di un contenzioso o di un accertamento rispetto al valore del fondo accantonato in esercizi precedenti. Le imposte differite e le imposte anticipate, infine, riguardano componenti di reddito positivi o negativi rispettivamente soggetti ad imposizione o a deduzione in esercizi diversi rispetto a quelli di contabilizzazione civilistica.

Si rammenta che il Legislatore ha emesso, in data 19 maggio 2020, il Decreto Legge n. 34 recante "misure urgenti in materia di salute, sostegno al lavoro e all'economia, nonché di politiche sociali connesse all'emergenza epidemiologica da COVID-19". Nella norma in commento, l'art. 24 ha previsto che "non è dovuto il versamento del saldo dell'imposta regionale sulle attività produttive relativa al periodo di imposta in corso al 31 dicembre 2019, fermo restando il versamento dell'acconto

dovuto per il medesimo periodo di imposta; non e' altresì dovuto il versamento della prima rata dell'acconto dell'imposta regionale sulle attività produttive relativa al periodo di imposta successivo a quello in corso al 31 dicembre 2019"

Imposte correnti

Le imposte correnti risultano iscritte per € 895.495 (€ 1.068.475 al 31.12.2019) e sono portate dall'IRES di esercizio per € 756.098, dall'IRAP di esercizio per € 222.447 e rettifiche di € 83.050 per sopravvenienze attive ordinarie non tassabili.

Imposte differite e anticipate

La presente voce ricomprende l'impatto della fiscalità differita sul presente bilancio. La stessa è da ricondursi alle differenze temporanee tra i valori attribuiti ad un'attività o passività secondo criteri civilistici ed i corrispondenti valori riconosciuti a tali elementi ai fini fiscali

Le imposte sul reddito differite e anticipate sono calcolate sull'ammontare cumulativo di tutte le differenze temporanee esistenti tra i valori delle attività e delle passività determinati con i criteri di valutazione civilistici ed il loro valore riconosciuto ai fini fiscali.

Le imposte differite relative a differenze temporanee imponibili correlate a partecipazioni in società controllate e a operazioni che hanno determinato la formazione di riserve in sospensione d'imposta non sono rilevate solo qualora siano soddisfatte le specifiche condizioni previste dal principio di riferimento.

Le imposte differite relative ad operazioni che hanno interessato direttamente il patrimonio netto non sono rilevate inizialmente a conto economico ma contabilizzate tra i fondi per rischi e oneri tramite riduzione della corrispondente posta di patrimonio netto.

Le imposte sul reddito differite e anticipate sono rilevate nell'esercizio in cui emergono le differenze temporanee e sono calcolate applicando le aliquote fiscali in vigore nell'esercizio nel quale le differenze temporanee si riverseranno, qualora tali aliquote siano già definite alla data di riferimento del bilancio diversamente sono calcolate in base alle aliquote in vigore alla data di riferimento del bilancio.

Le imposte anticipate sulle differenze temporanee deducibili e sul beneficio connesso al riporto a nuovo di perdite fiscali sono rilevate e mantenute in bilancio solo se sussiste la ragionevole certezza del loro futuro recupero, attraverso la previsione di redditi imponibili o la disponibilità di sufficienti differenze temporanee imponibili negli esercizi in cui le imposte anticipate si riverseranno.

Un'attività per imposte anticipate non contabilizzata o ridotta in esercizi precedenti, in quanto non sussistevano i requisiti per il suo riconoscimento o mantenimento in bilancio, è iscritta o ripristinata nell'esercizio in cui sono soddisfatti tali requisiti.

In nota integrativa è presentato un prospetto delle differenze temporanee che hanno comportato la rilevazione di imposte differite e anticipate, specificando l'aliquota applicata e le variazioni rispetto all'esercizio precedente, gli importi addebitati o accreditati a conto economico o a patrimonio netto e le voci escluse dal calcolo nonché l'ammontare delle imposte anticipate contabilizzate in bilancio attinenti a perdite dell'esercizio o di esercizi precedenti e l'ammontare delle imposte non ancora contabilizzate.

La società ha determinato l'imposizione differita con esclusivo riferimento all'IRES, non essendovi variazioni temporanee IRAP.

Di seguito si riportano, ove presenti, le informazioni richieste dall'art. 2427 n. 14 del codice civile, ovvero:

- la descrizione delle differenze temporanee che hanno comportato la rilevazione di imposte differite e anticipate, specificando l'aliquota applicata e le variazioni rispetto all'esercizio precedente, gli importi accreditati o addebitati a conto economico oppure a patrimonio netto;
- l'ammontare delle imposte anticipate contabilizzate in bilancio attinenti a perdite dell'esercizio o di esercizi precedenti e le motivazioni dell'iscrizione; l'ammontare non ancora contabilizzato e le motivazioni della mancata iscrizione;
- le voci escluse dal computo e le relative motivazioni.

Rilevazione delle imposte differite e anticipate ed effetti conseguenti

	IRES	IRAP
A) Differenze temporanee		
Totale differenze temporanee deducibili	100.790	-
Totale differenze temporanee imponibili	89.260	-

	IRES	IRAP
Differenze temporanee nette	(11.530)	-
B) Effetti fiscali		
Fondo imposte differite (anticipate) a inizio esercizio	351.242	111.135
Imposte differite (anticipate) dell'esercizio	(2.768)	-
Fondo imposte differite (anticipate) a fine esercizio	348.474	111.135

Dettaglio delle differenze temporanee deducibili

Descrizione	Importo al termine dell'esercizio precedente	Variazione verificatasi nell'esercizio	Importo al termine dell'esercizio	Aliquota IRES	Effetto fiscale IRES
F.do Obsolesc. magaz.M.P.	250.000	-	250.000	24,00%	60.000
F.do Obsol.magazz. SEMIL.	100.000	-	100.000	24,00%	24.000
F.do Obsolesc. magaz.P.F	81.562	-	81.562	24,00%	19.575
F.do Svalutazione Crediti (*)	724.543	-	724.543	24,00%	173.890
F.do Rischi ed oneri	30.000	-	30.000	24,00%	7.200
Perdite diff. cambio	-	99.971	99.971	24,00%	23.950
Bonus ai dipendenti	200.000	1.000	201.000	24,00%	48.240

Dettaglio delle differenze temporanee imponibili

Descrizione	Importo al termine dell'esercizio precedente	Variazione verificatasi nell'esercizio	Importo al termine dell'esercizio	Aliquota IRES	Effetto fiscale IRES	Aliquota IRAP	Effetto fiscale IRAP
Building	2.849.613	-	2.849.613	24,00%	683.907	3,90%	111.135
Utile da diff. camb.	-	89.260	89.260	24,00%	21.422	-	-

(*) Si precisa che durante l'esercizio è stata liberata dal Fondo Svalutazione Crediti la somma di € 200.000, in virtù del fatto che detta parte di stanziamento non rappresentava più un'ipotesi rilevante. L'effetti fiscali IRES avrà manifestazione alla data di liquidazione delle imposte di esercizio. Di conseguenza il Fondo Svalutazione Crediti tassato è di € 524.542 mentre quello fiscale è di € 275.458.

Nota integrativa, rendiconto finanziario

La società ha predisposto il rendiconto finanziario che rappresenta il documento di sintesi che raccorda le variazioni intervenute nel corso dell'esercizio nel patrimonio aziendale con le variazioni nella situazione finanziaria; esso pone in evidenza i valori relativi alle risorse finanziarie di cui l'impresa ha avuto necessità nel corso dell'esercizio nonché i relativi impieghi.

In merito al metodo utilizzato si specifica che la stessa ha adottato, secondo la previsione dell'OIC 10, il metodo indiretto in base al quale il flusso di liquidità è ricostruito rettificando il risultato di esercizio delle componenti non monetarie.

Nota integrativa, altre informazioni

Di seguito vengono riportate le altre informazioni richieste dal codice civile.

Dati sull'occupazione

Nel seguente prospetto è indicato il livello di occupazione nell'esercizio 2020 ripartito per categoria.

	Numero medio
Dirigenti	2
Quadri	8
Impiegati	30
Operai	122
Totale Dipendenti	162

Il livello di occupazione nell'esercizio 2020 si è attestato a 162 unità di lavoro (2 dirigenti; 8 quadri intermedi; 30 impiegati; 122 maestranze).

Come negli anni precedenti, non si è fatto ricorso alla Cassa Integrazioni Guadagni o altre forme di ammortizzatori sociali.

Il numero medio di dipendenti nel corso dell'anno è stato di 157,50 con un incremento rispetto alla media di 139,75 dipendenti dell'anno precedente, del 12%.

Il bonus di risultato riferito all'anno 2019, pagato nel 2020 e calcolato sulla base dell'accordo di secondo livello rinnovato il 23 giugno 2014, è stato erogato per un totale di 181.636 euro.

Metallurgica Bresciana aderisce alle disposizioni contrattuali della "CCNL Gomma-Plastica" italiana.

Compensi, anticipazioni e crediti concessi ad amministratori e sindaci e impegni assunti per loro conto

Nel seguente prospetto sono espresse le informazioni richieste dall'art. 2427 n. 16 c.c., precisando che non esistono anticipazioni e crediti e non sono stati assunti impegni per conto dell'organo amministrativo per effetto di garanzie di qualsiasi tipo prestate.

	Amministratori	Sindaci
Compensi	141.489	27.120

Compensi al revisore legale o società di revisione

Nella seguente tabella sono indicati, suddivisi per tipologia di servizi prestati, i compensi spettanti alla società di revisione.

	Valore
Revisione legale dei conti annuali	35.279
Totale corrispettivi spettanti al revisore legale o alla società di revisione	35.279

€ 30.000 EUR si riferiscono ai costi per revisione sostenuti dalla Società. I rimanenti € 5.279 sono i costi di eguale natura sostenuti da Sterlite s.p.a durante il 2020.

Categorie di azioni emesse dalla società

Nel seguente prospetto è indicato il numero e il valore nominale delle azioni della società, nonché le eventuali movimentazioni verificatesi durante l'esercizio.

Descrizione	Consistenza iniziale, numero	Consistenza finale, numero
Capitale Sociale	7.000.000	7.000.000

Titoli emessi dalla società

La società non ha emesso alcun titolo o valore simile rientrante nella previsione di cui all'art. 2427 n. 18 codice civile.

Dettagli sugli altri strumenti finanziari emessi dalla società

La società non ha emesso altri strumenti finanziari ai sensi dell'articolo 2346, comma 6, del codice civile.

Impegni, garanzie e passività potenziali non risultanti dallo stato patrimoniale

Al 31.12.2020 esistono i seguenti impegni, garanzie o passività potenziali non risultanti dallo stato patrimoniale, per complessivi € 5.671.716,31:

- Fideiussioni ad altre imprese € 5.624.833,31 di cui UBI per € 4.590.837,13; Intesa per € 264.889,79; BNL per € 185.182,95 ed Unicredit per € 583.923,54.
- Beni presso l'impresa a titolo di deposito o comodato € 46.883.

Informazioni sui patrimoni e i finanziamenti destinati ad uno specifico affare

Patrimoni destinati ad uno specifico affare

Si attesta che alla data di chiusura del bilancio non sussistono patrimoni destinati ad uno specifico affare di cui al n. 20 dell'art. 2427 del codice civile.

Finanziamenti destinati ad uno specifico affare

Si attesta che alla data di chiusura del bilancio non sussistono finanziamenti destinati ad uno specifico affare di cui al n. 21 dell'art. 2427 del codice civile.

Informazioni sulle operazioni con parti correlate

Nel corso dell'esercizio sono state poste in essere operazioni con parti correlate; si tratta di operazioni concluse a condizioni di mercato, pertanto, in base alla normativa vigente, non viene fornita alcuna informazione aggiuntiva.

Informazioni sugli accordi non risultanti dallo stato patrimoniale

Nel corso dell'esercizio non è stato posto in essere alcun accordo non risultante dallo stato patrimoniale.

Informazioni sui fatti di rilievo avvenuti dopo la chiusura dell'esercizio

Con riferimento al punto 22-quater dell'art. 2427 del codice civile, non si segnalano fatti di rilievo successivi alla chiusura dell'esercizio che abbiano inciso in maniera rilevante sull'andamento patrimoniale, finanziario ed economico.

Dal punto di vista della pandemia Covid, il consiglio di amministrazione ha continuato a monitorare, gli impatti potenzialmente stimabili e riferiti alla citata pandemia di Covid-19, sia dal punto di vista delle attività produttive e commerciali sia da quello finanziario; ad oggi tale effetto pandemico non ha provocato particolari incidenze sul risultato che può essere osservato valutando il confronto dell'EBITDA dei periodi 2019 2020: infatti, l'EBITDA dell'anno 2019 si era attestato ad euro 6.713.514 mentre l'EBITDA conseguito nell'anno 2020 è stato di euro 7.161.219 . Per quanto riguarda l'anno

2021, la tendenza degli ordinativi risulta confortante e, di conseguenza, risulta difficile stimare l'eventuale impatto economico riferito ad una non auspicata terza ondata della pandemia. La situazione finanziaria della società, in ogni caso, è tale da poter supportare, in questo periodo, i requisiti di cassa relativi alla struttura aziendale.

Imprese che redigono il bilancio dell'insieme più grande/più piccolo di imprese di cui si fa parte in quanto controllata

Nel seguente prospetto, ai sensi dell'art. 2427, numeri 22-quinquies e 22-sexies del codice civile, si riporta il nome e la sede legale dell'impresa che redige il bilancio consolidato, dell'insieme più grande o più piccolo di imprese, di cui l'impresa fa parte in quanto impresa consolidata.

Si osserva che, in data 20 Novembre 2020, la Società è entrata sotto il coordinamento di "Sterlite Technologies LTD" (con sede in India E1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra).

Informazioni relative agli strumenti finanziari derivati ex art. 2427-bis del Codice Civile

In osservanza di quanto richiesto dall'art. 2427-bis del codice civile, nel rispetto del principio della rappresentazione veritiera e corretta degli impegni aziendali, si forniscono di seguito le opportune informazioni.

Contratti derivati sul copertura tassi, sottoscritto con BNL-BNP PARIBAS (ref. n. 21189999 scadente il 27 Febbraio 2024): valore del MTM - 31/12/2020 -25.392,26

Contratti derivati sul copertura tassi, sottoscritto con BNL-BNP PARIBAS (ref. n. 2190004 scadente il 27 febbraio 2024): valore del MTM - 31/12/2020 47,06

Contratti derivati sul copertura tassi, sottoscritto con with BNL-BNP PARIBAS (ref. n. 21614510 scadente il 20 Maggio 2024): valore del MTM - 31/12/2020 -17.326,82

Contratti derivati sul copertura tassi, sottoscritto con BNL-BNP PARIBAS (ref. n. 21614516 scadente il 20 Maggio 2024): valore del MTM - 31/12/2020 -49,98

Contratti derivati sul copertura tassi, n. 21383614 sottoscritto con INTESA SANPAOLO, scadente il 15 Dicembre 2021: valore del MTM - 31/12/2020 € -2.880

Per tale contratto si è provveduto a stanziare prudenzialmente un "Fondo Rischi derivati".

Nell'ambito della cessione della MB (Maanshan) Special Cable Ltd è stata concessa una call-option per la cessione di un ulteriore 20% della partecipata. Tenuto conto che tale opzione è stata sottoscritta nel 2016 e tenuto conto delle caratteristiche dell'opzione, si stima che il suo fair value al 31.12.2020 non sia significativo.

Prospetto riepilogativo del bilancio della società che esercita l'attività di direzione e coordinamento

Si rende noto che la società appartiene al gruppo STERLITE ed è soggetta all'attività di direzione e coordinamento da parte della società STERLITE TECHNOLOGIES LTD, di cui nelle successive tabelle si riportano i dati dell'ultimo bilancio depositato.

STERLITE TECHNOLOGIES LIMITED

BALANCE SHEET AS AT 31 MARCH 2020

(All amounts are in Rs. crores, unless otherwise stated)

	Note	31 March 2020 (Rs. in crores)	31 March 2019 (Rs. in crores)
ASSETS			
Non-current assets			
Property, plant & equipment	4	2.213,30	1.750,31
Capital work-in progress		127,52	413,87

Investment property	7	-	-
Goodwill	5,6	14,66	44,29
Other intangible assets	5	33,64	14,00
Financial assets			
Investments	8	289,10	164,46
Trade receivables	9	-	1,76
Loans	10	97,83	131,03
Other non-current financial assets	11	14,93	33,56
Deferred tax assets (net)	20	-	-
Other non-current assets	12	48,94	20,62
		2.839,92	2.573,90
Current assets			
Inventories	13	285,38	381,01
Financial assets			
Investments	14	233,00	100,00
Trade receivables	9	1.413,16	1.178,77
Cash and cash equivalents	15A	76,53	58,43
Other bank balances	15B	93,92	88,93
Loans	10	-	-
Other current financial assets	11	58,81	91,36
Contract assets	12	735,15	1.093,02
Other current assets	12	331,97	332,20
Asset classified as held for sale	16	28,27	28,27
		3.256,19	3.351,99
Total Assets		6.096,11	5.925,89
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	80,79	80,51
Other Equity	18	1.728,78	1.507,70
IUT			
Security premium	16	51,36	38,68
Retained earnings		1.477,63	1.225,07
Other reserves		199,79	243,95
Total Equity		1.809,57	1.588,21
Non-current liabilities			
Financial liabilities			
Borrowings	19	519,83	581,71
Lease Liabilities	4	83,33	-
Other financial liabilities	20	7,32	14,88
Employee benefit obligations	25	41,16	32,35

Provisions	22	0,89	0,72
Deferred tax liabilities (net)	24A	63,89	72,13
Other non-current liabilities	23	-	-
		716,42	701,79
Current liabilities			
Financial liabilities			
Borrowings	19	1.105,17	797,48
Lease Liabilities	4	16,43	-
Trade payables	21		
(A) total outstanding dues of micro enterprises and small enterprises (refer note 41)		30,66	92,30
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1.335,81	1.717,69
Other financial liabilities	20	880,71	629,66
Contract liabilities	23	133,40	269,31
Other current liabilities	23	43,52	49,59
Current tax liabilities (Net)	24B	-	55,38
Employee benefit obligations	25	14,40	14,52
Provisions	22	10,02	9,96
		3.570,12	3.635,89
Total liabilities		4.286,54	4.337,68
Total Equity & Liabilities		6.096,11	5.925,89

STERLITE TECHNOLOGIES LIMITED**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020**

(All amounts are in Rs. crores, unless otherwise stated)

	Note	31 March 2020 (Rs. in crores)	31 March 2019 (Rs. in crores)
INCOME			
Revenue from operations	26	4.760,50	4.862,63
Other income	27	21,27	14,32
Total Income (I)		4.781,77	4.876,95
EXPENSES			
Cost of raw materials and components consumed	29	2.273,96	2.583,40
Purchase of traded goods		2,12	30,58
(Increase) / decrease in inventories of finished goods, work-in-progress, traded goods and construction work-in-progress	29	65,43	110,47
Excise duty on sale of goods		-	-
Employee benefit expense	30	519,82	439,55
Other expenses	31	902,31	880,05

Exceptional items		-	-
Total Expense (II)		3.763,64	3.823,11
Earnings before exceptional item, interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		1.018,13	1.053,84
Depreciation and amortisation expense	32	232,42	167,79
Finance costs	33	204,46	95,25
Finance Income	28 -	11,67 -	20,52
Profit before exceptional item and tax		592,92	811,32
Exceptional Item (refer note 44)		50,71	-
Profit before tax		542,21	811,32
Tax expense:			
Current tax	34	111,53	270,99
Deferred tax	-	2,84	5,10
Adjustment of tax relating to earlier periods		-	-
Total tax expenses		108,69	276,09
Profit for the year		433,52	535,23
<u>Other comprehensive income</u>			
Items that may be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges	-	51,81	132,77
Income tax effect on the above		20,20 -	46,39
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	-	31,61	86,38
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurements of defined benefits plans		0,35 -	7,84
Income tax effect on the above	-	0,09	2,74
Net movement on cash flow hedges		-	-
Income tax effect on the above		-	-
Change in fair value of FVOCI equity instruments		1,35	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		1,61 -	5,10
Other comprehensive income for the year, net of tax	-	30,00	81,28
Total comprehensive income for the year		403,52	616,51
Earnings per equity share	36		
Basic			
Computed on the basis of profit for the year (Rs)		10,75	13,32
Diluted			

Computed on the basis of profit for the year (Rs)

10,63

13,16

Proposta di destinazione degli utili o di copertura delle perdite

Signori Soci, alla luce di quanto sopra esposto, l'organo amministrativo Vi propone di approvare il Bilancio relativo all'esercizio sociale chiuso il 31/12/2020, che evidenzia un risultato d'esercizio di Euro 3.076.174 e di destinare il risultato di esercizio integralmente alla Riserva legale.

Nota integrativa, parte finale

Signori Soci, Vi confermiamo che il presente bilancio, composto da stato patrimoniale, conto economico, rendiconto finanziario e nota integrativa rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria della società, nonché il risultato economico dell'esercizio e corrisponde alle scritture contabili. Vi invitiamo pertanto ad approvare il progetto di bilancio al 31/12/2020 unitamente con la proposta di destinazione del risultato d'esercizio, così come predisposto dall'organo amministrativo.

Dello (BS), 08/03/2021

Per il Consiglio di Amministrazione,

L'Amministratore Delegato Aldo Santus

