

INDEPENDENT AUDITOR'S REPORT

To the Members of Maharashtra Transmission Communication Infrastructure Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Other Information

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

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

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

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



Responsibility of Management for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

Other matter

The Standalone Ind AS financial statements of the Company for the year ended March 31, 2022, included in these Standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on August 01, 2022.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act based on our audit, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2023;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company does not have any pending litigations which would impact its financial position;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
 - a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 43 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The final dividend on preference shares declared and paid by the Company during the year in respect of previous year is in accordance with section 123 of the act to the extent it applies to payment of dividend.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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



per Ganesh Gaikwad
Partner

Membership Number: 136512
UDIN: 23136512BGWIUY6514



Place of Signature: Pune
Date: 09 August 2023

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

Re: Maharashtra Transmission Communication Infrastructure Limited (the "Company")

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

- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a)(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023 since the Company follows cost model for measurement after recognition of Property, Plant and Equipment and intangible assets.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (ii) (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.



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(iii) (a) During the year the Company has provided loans to companies as follows:

(Rs. in millions)

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year				
- Subsidiaries including fellow subsidiaries	-	-	650.00	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others	-	-	-	-
Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiaries including fellow subsidiaries	-	-	650.00	-
- Joint Ventures	-	-	-	-
- Associates	-	-	-	-
- Others (Fellow subsidiaries)	-	-	-	-

(iii) (b) During the year the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans to companies are not prejudicial to the Company's interest. During the year, the Company has not provided the guarantees and given any security to companies.

Further, during the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to firms, Limited Liability Partnerships or any other parties.

(iii) (c) The company has granted loans and /or advance in the nature of loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(iii) (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(iii) (e) There were no loans or advance in the nature of loan granted to companies, firms, limited liability partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.



- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (vii) (b) There are no dues of goods and services tax, provident fund, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (ix) (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (ix) (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (ix) (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments), hence the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.



- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) and clause 3(xiv)(B) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi) (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (xvi) (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 40 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx)(a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 29 (b) to the financial statements.



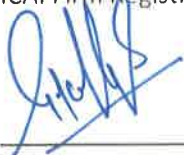
G S K A & Co.
Chartered Accountants

(xx)(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 29 to the financial statements.

For G S K A & Co.

Chartered Accountants

ICAI Firm Registration Number: 147093W



per **Ganesh Gaikwad**

Partner

Membership Number: 136512

UDIN: 23136512BGWIUY6514



Place of Signature: Pune

Date: 09 August 2023

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS
OF MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the
Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Maharashtra Transmission Communication Infrastructure Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting with reference to these financial statements.



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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **G S K A & Co.**

Chartered Accountants

ICAI Firm Registration Number: 147093W

per **Ganesh Gaikwad**
Partner

Membership Number: 136512

UDIN: 23136512BGWIUY6514



Place of Signature: Pune

Date: 09 August 2023

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
BALANCE SHEET AS AT 31 MARCH 2023

	Notes	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
ASSETS			
Non-current assets			
Property, plant and equipment	3	860.86	852.94
Capital work-in-progress	4	189.92	52.24
Other intangible assets	5	121.55	27.40
Right-of-use asset	6	5.24	5.68
Financial assets			
i. Loans	7	600.00	-
ii. Other financial assets	9	16.93	3.03
Income tax assets (net)		188.33	115.60
Other non-current assets	10	27.82	5.02
Total non-current assets		2,010.65	1,059.91
Current assets			
Financial assets			
i. Loan	7	50.00	-
ii. Trade receivables	8	162.79	254.38
iii. Cash and cash equivalents	11	35.95	65.71
iv. Other bank balances	12	1,508.52	971.47
v. Other financial assets	9	0.35	0.68
Other current assets	10	19.66	7.17
Total current assets		1,777.27	1,299.41
TOTAL ASSETS		3,787.92	2,359.32
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	345.51	345.51
Other equity			
i. Securities premium	14	6.67	6.67
ii. Retained earnings	14	33.02	(182.97)
iii. Other reserves	14	51.00	51.00
Total equity		436.20	220.21
Non-current liabilities			
Financial liabilities			
i. Borrowings	15	88.05	88.05
ii. Lease liabilities	30	6.91	6.91
iii. Other financial liabilities	18	-	8.83
Employee benefit obligations	19	-	1.63
Contract liability	20	2,789.45	1,792.45
Deferred tax liabilities (net)	22	40.06	-
Total non-current liabilities		2,924.47	1,897.87
Current liabilities			
Financial liabilities			
i. Borrowings	16	-	0.92
ii. Lease liabilities	30	0.12	0.07
iii. Trade payables	17	-	0.26
- total outstanding dues of micro enterprises and small enterprises		-	17.79
- total outstanding dues of creditors other than micro and small enterprises		30.31	66.61
iv. Other financial liabilities	18	106.78	0.44
Employee benefit obligations	19	-	0.44
Contract liabilities	20	232.41	139.03
Other current liabilities	21	57.63	16.12
Total current liabilities		427.24	241.24
Total liabilities		3,351.72	2,139.11
TOTAL EQUITY AND LIABILITIES		3,787.92	2,359.32

Summary of significant accounting policies

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The accompanying notes are an integral part of the financial statements

As per our report of even date

For GSKA & Co.
Chartered Accountants
Firm Registration No. 147093W

per Ganesh Gaikwad
Partner
Membership Number: 135612
Place: Pune
Date: 09 August 2023



For and on behalf of the board of directors of
Maharashtra Transmission Communication Infrastructure Limited

Surya Rajshekhar Deshraj
Managing Director
DIN: 08920289
Place: Mumbai
Date: 09 August 2023

Benoy Varghese
Chief Financial Officer
Place: Mumbai
Date: 09 August 2023



Syed Nasir Quadri
Chairman
DIN: 09364397
Place: Mumbai
Date: 09 August 2023

Pankhuri Warange
Company Secretary
Place: Mumbai
Date: 09 August, 2023

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
INCOME			
Revenue from operations	23	417.77	276.77
Other income	24	19.55	0.02
Total income (I)		437.32	276.79
EXPENSES			
Purchase of traded goods		2.32	1.43
Employee benefits expense	25	1.48	5.66
Other expenses	29	197.84	75.95
Total expenses (II)		201.64	83.04
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		235.68	193.75
Depreciation and amortisation expense	26	60.61	66.91
Finance costs	28	14.83	17.64
Finance income	27	(95.82)	(17.52)
Profit before tax		256.06	126.72
Tax expense:			
Deferred tax	22	40.06	-
Income tax expense		40.06	-
Profit for the year		216.00	126.72
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gain/(loss) on defined benefit plans		-	0.55
Income tax effect		-	-
Net other comprehensive gain not to be reclassified to profit or loss in subsequent periods:		-	0.55
Other comprehensive income for the year		-	0.55
Total comprehensive income for the year		216.00	127.27
Earnings per equity share	31		
Basic and diluted			
Computed on the basis of profit for the year (net of tax) (Rs. per share)		6.25	3.67

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of the financial statements

As per our report of even date

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

per Ganesh Galkwad
Partner
Membership Number: 135612
Place: Pune
Date: 09 Aug 2023



For and on behalf of the board of directors of
Maharashtra Transmission Communication Infrastructure Limited

Surya Rajshekhar Deshraj
Managing Director
DIN: 08920289
Place: *Gurgaon*
Date: 09 August 2023

Benoy Varghese
Chief Financial Officer
Place: *Mumbai*
Date: 09 August 2023

Syed Nasir Quadri
Chairman
DIN: 09364397
Place: *Mumbai*
Date: 09 August 2023

Pankhuri Warange
Company Secretary
Place: *Mumbai*
Date: 09 August 2023



MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

A. EQUITY SHARE CAPITAL

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

At 01 April 2021

Issue of share capital

At 31 March 2022

Issue of share capital

At 31 March 2023

Nos. in million	Rs. in million
34.55	345.51
-	-
34.55	345.51
-	-
34.55	345.51

B. OTHER EQUITY

(Rs. in million)

	Capital contribution	Securities premium	Retained earnings	Total
At 01 April 2021	51.00	6.67	(310.24)	(252.57)
Profit for the year	-	-	126.72	126.72
Other comprehensive income	-	-	0.55	0.55
Total comprehensive income	-	-	127.27	127.27
At 31 March 2022	51.00	6.67	(182.97)	(125.30)
Profit for the year	-	-	216.00	216.00
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	216.00	216.00
At 31 March 2023	51.00	6.67	33.02	90.69

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For G S K A & Co.

Chartered Accountants

Firm Registration No. 147093W

per Ganesh Galkwad
Partner

Membership Number: 135612

Place: Pune

Date: 09 August 2023



For and on behalf of the board of directors of

Maharashtra Transmission Communication Infrastructure Limited

Surya Rajshekhar Deshraj
Managing Director

DIN: 08920289

Place: *Mumbai*

Date: 09 August 2023

Benoy Varghese
Chief Financial Officer

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Date: 09 August 2023

Syed Nasir Quadri
Chairman

DIN: 09364397

Place: *Mumbai*

Date: 09 August 2023

Pankhuri Warange
Company Secretary

Place: *Mumbai*

Date: 09 August 2023



MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
A. Cash flow from operating activities		
Net profit as per statement of profit and loss	216.00	126.72
Adjustment for taxation	40.06	-
Profit before tax	256.06	126.72
Adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	60.61	66.91
Finance income	(95.43)	(17.52)
Finance costs	14.83	17.64
	(19.99)	67.03
Operating profit before working capital changes	236.07	193.75
Movements in working capital:		
- (Increase)/decrease in trade receivables	91.59	321.15
- (Increase)/decrease in other financial assets	(0.26)	(0.18)
- (Increase)/decrease in other assets	(13.18)	0.87
- Increase/(decrease) in employee defined benefit liabilities	(1.63)	0.16
- Increase/(decrease) in trade payables	11.86	0.71
- Increase/(decrease) in other financial liabilities	(3.03)	11.96
- Increase/(decrease) in other liabilities	(9.90)	(45.10)
- Increase/(decrease) in contract liabilities	1,090.38	1013.05
Changes in working capital	1,165.83	1,302.62
Cash generated from operations	1,401.90	1,496.37
Direct taxes paid	(72.73)	(30.32)
Net cash flow from operating activities	1,329.17	1,466.05
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work in progress)	(188.37)	(288.97)
Other intangible assets	(100.00)	-
Proceeds/(investment) in deposits with banks (net)	(550.69)	(966.67)
Income from deposits with banks	61.33	16.88
Loans given to related parties	(650.00)	-
Interest from loans given to related party	85.18	-
Net cash used in investing activities	(1,342.55)	(1,238.76)
C. Cash flow from financing activities		
Repayment of term loan	-	(199.92)
Short term borrowings from related parties repaid (net)	(0.92)	(17.58)
Lease liabilities paid	(0.63)	(0.72)
Dividend paid on preference shares	(13.21)	-
Finance costs paid	(1.62)	(9.26)
Net cash used in financing activities	(16.38)	(227.48)
Net decrease in cash and cash equivalents	(29.76)	(0.19)
Cash and cash equivalents as at the beginning of year	65.71	65.90
Cash and cash equivalent as at the end of the year	35.95	65.71

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MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Components of cash and cash equivalents:		
Balance with banks on current accounts	35.95	65.71
Total cash and cash equivalents (refer note 11)	35.95	65.71
Reconciliation between opening and closing liabilities arising from financing activities		
	Long term borrowings	Short term borrowings
31 March 2021	219.21	92.88
Cash flow		
- Interest	(9.26)	-
- Proceeds/(repayments)	(199.92)	(17.58)
Non-cash changes		
- Movement of current maturities	74.38	(74.38)
Accrual for the year	16.85	-
31 March 2022	101.26	0.92
Cash flow		
- Interest	(13.21)	-
- Proceeds/(repayments)	-	(0.92)
Non-cash changes		
- Movement of current maturities	-	-
Accrual for the year	11.89	-
31 March 2023	99.94	0.00

Summary of significant accounting policies

2.2

The accompanying notes are an integral part of the financial statements

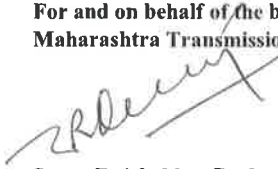
As per our report of even date

For G S K A & Co.
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per Ganesh Gaikwad
Partner
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For and on behalf of the board of directors of
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DIN: 09364397
Place: Mumbai
Date: 09 August, 2023


Pankhuri Warange
Company Secretary
Place: Mumbai
Date: 09 August 2023

MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2023

1. Corporate information

Maharashtra Transmission Communication Infrastructure Limited ('MTCIL' or 'the Company') is a joint venture between Sterlite Power Transmission Limited ('STL') and Maharashtra State Electricity Transmission Company Limited ('MSETCL'). The Company was incorporated under the provisions of the Companies Act, 1956 on 9 August 2012. The registered office of the Company is located at Prakashganga, Plot No C 19, E— Block, Bandra Kurla Complex, Bandra (East), Mumbai MH 400051.

The principal commercial activity of the Company would be making available fibre capacity on lease rental to retail, wholesale and enterprise/corporate customers, drawn from Optical Power Ground Wire (OPGW) network. The CIN of the Company is U64201MH2012PLC234316.

The financial statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Company.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, as notified under Section 133 of the Companies Act, 2013 (the 'Act').

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets measured at fair value (refer accounting policy regarding financial instruments).

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

2.2 Summary of significant accounting policies

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

a) Current versus non-current classification

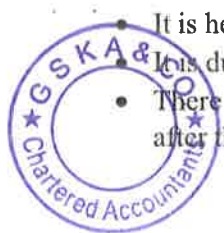
The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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



MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2023

The Company classifies all other liabilities as non-current.

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

b) Foreign currencies

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

Transactions and balances

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

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

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

c) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

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



MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2023

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

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

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

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

d) Revenue from contract with customer

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

Revenue from IRU/ARC contracts:

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

Maintenance charges are billed to the customer on a monthly basis. •

Revenue from sale of traded goods:

The performance obligation is satisfied at a point in time upon delivery of the goods and payment is generally due within 30 to 90 days from delivery.

Other operating revenue:

The performance obligation is satisfied at a point in time upon completion of service and acceptance of the customer.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Financial instruments – initial recognition and subsequent measurement.



MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2023

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its obligation under the contract.

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.

e) Taxes

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

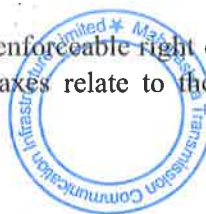
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences,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

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

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

Deferred tax relating to items recognised outside of profit or loss is recognised outside of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable Company and the same taxation authority.



MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2023

f) Property, plant and equipment

Capital work in progress, property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects 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.

Depreciation on the item of property, plant and equipment is calculated on a straight line basis using the rates arrived at based on the useful lives estimated by the management which are within the prescribed life under the Schedule II to the Companies Act, 2013.

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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) 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.

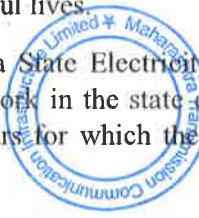
Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is recognised in the Statement of Profit and Loss in the period in which the expenditure is incurred.

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

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.

Right of way (ROW) pertains to the right granted by Maharashtra State Electricity Transmission Company limited to the Company to establish communication network in the state of Maharashtra. ROW is amortized on a straight-line basis over a period of 28 years for which the right has been



MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2023

granted. Gains or losses arising from de recognition 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.

h) 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 in exchange for consideration.

Company 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.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives by the management of the assets, as follows:

Land	13-15 years
------	-------------

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (k) Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.



MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2023

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases to 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 and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the

lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

i) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period 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.

j) Inventories

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

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

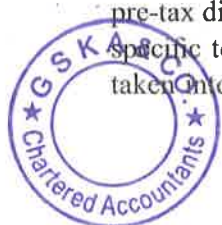
Traded goods and stores and spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

k) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.



MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2023

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

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

l) Provisions

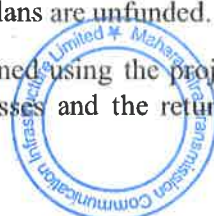
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

m) Retirement and other employee benefits

Retirement benefit in the form of provident fund are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company has a defined benefit gratuity plan in India. These benefit plans are unfunded.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re measurements, comprising of actuarial gains and losses and the return on plan



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assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re measurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non—routine settlements; and
- Net interest expense or income

n) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to note 4.



MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
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Debt instrument at FVTOCI

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

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

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

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

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

Derecognition

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

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

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

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



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Notes to financial statements for the year ended 31 March 2023

Impairment of financial assets

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

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables.

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

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

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 contractual terms.

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

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

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



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Notes to financial statements for the year ended 31 March 2023

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer notes 10 and 11.

Derecognition

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

Offsetting of financial instruments

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



MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2023

o) Cash and cash equivalents

Cash and cash equivalents for the purposes of balance sheet comprise of cash at bank and in hand and short—term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of change in value.

p) Dividends

The Company recognises a liability to make cash distribution to preference and equity shareholders 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.

q) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holder of the company by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The company does not have any outstanding dilutive potential equity 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.

2.3 New and Amended standards

Amendments to Standards effective 1 April 2022

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

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



MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2023

New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS' notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.



NOTE 3: PROPERTY, PLANT AND EQUIPMENT

	(Rs. In million)
Cost	
As at 01 April 2021	1,088.87
Additions	69.44
Disposals	-
As at 31 March 2022	1,158.31
Additions	62.26
Disposals	-
As at 31 March 2023	1,220.57
Depreciation	
As at 01 April 2021	241.12
Depreciation charge for the year	64.25
Disposals	-
As at 31 March 2022	305.37
Depreciation charge for the year	54.32
Disposals	-
As at 31 March 2023	359.71
Net book value	
As at 31 March 2022	852.94
As at 31 March 2023	860.86

There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company.

The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

NOTE 4: CAPITAL WORK-IN-PROGRESS

	Rs. In million
As at 31 March 2023	189.92
As at 31 March 2022	52.24

Capital work in progress comprises expenditure in respect of the establishing of optical fibre cable network in the state of Maharashtra.

Following is the ageing of capital work in progress:

(f) Following is the ageing of capital work in progress						(Rs. In million)
Particulars	Amount in capital work in progress for					
	At 31 March 2023					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
Projects in progress	189.92	-	-	-	189.92	
Total	189.92	-	-	-	189.92	
Particulars	At 31 March 2022					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	
Projects in progress	52.24	-	-	-	52.24	
Total	52.24	-	-	-	52.24	

NOTE 5: OTHER INTANGIBLE ASSETS

	(Rs. In million)
Cost	
As at 01 April 2021	51.00
Additions	-
Disposals	-
As at 31 March 2022	51.00
Additions	100.00
Disposals	-
As at 31 March 2023	151.00
Amortisation	
As at 01 April 2021	21.38
Amortisation charge for the year	2.22
Disposals	-
As at 31 March 2022	23.60
Amortisation charge for the year**	5.85
Disposals	-
As at 31 March 2023	29.45
Net book value	
As at 31 March 2022	27.40
As at 31 March 2023	121.55

* The Right of Way (RoW) pertains to the right granted by Maharashtra State Electricity Transmission Company Limited ('MSETCL') to the Company for a period of 28 years (31 March 2022: 22 years) to establish communication network in the state of Maharashtra.

** During the current year, the Company has entered into an extension agreement with MSETCL for extension of contract by six years (i.e. till 2040), hence the useful life of the assets have been adjusted.



NOTE 6: RIGHT-OF-USE ASSET

	(Rs. in million)
Cost	
As at 01 April 2021	5.89
Additions	0.79
Disposals	-
As at 31 March 2022	6.68
Additions	-
Disposals	-
As at 31 March 2023	6.68
Amortisation	
As at 01 April 2021	0.56
Amortisation charge for the year	0.44
Disposals	-
As at 31 March 2022	1.00
Amortisation charge for the year	0.44
Disposals	-
As at 31 March 2023	1.44
Net book value	
As at 31 March 2022	5.68
As at 31 March 2023	5.24

NOTE 7: LOANS

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Loans to related parties * (refer note 37)	650.00	-
Total	650.00	-
Current	50.00	-
Non-current	600.00	-

*During the current year, the Company has given secured loan to Sterlite Interlinks Limited amounting to Rs. 150 million (March 31, 2022: Nil) carrying interest at the rate of 10% p.a. and is repayable in 3 equal yearly installments. The Company has also given secured loan to Sterlite Convergence Limited amounting to Rs. 500 million (March 31, 2022: Nil) carrying interest at the rate of 10-years GOI Sec yield + spread (1.3%) p.a and is repayable at the end of 3 year.

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

Type of borrower	March 31, 2023		March 31, 2022	
	Amount of loans and advances in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans	Amount of loans and advances in the nature of loan outstanding	Percentage to the total loans and advances in the nature of loans
Promoter	-	-	-	-
Directors	-	-	-	-
KMP's	-	-	-	-
Related parties	650.00	100.00%	-	-
	650.00	100.00%	-	-

NOTE 8: TRADE RECEIVABLES

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Current		
Trade receivables	162.79	256.80
	162.79	256.80
Break-up for security details:		
- Unsecured, considered good	162.79	254.38
- Unsecured, credit impaired receivables	-	2.42
	162.79	256.80
Impairment allowance (allowance for bad and doubtful debts)		
- Unsecured, considered good	-	-
- Unsecured, credit impaired receivables	-	(2.42)
	-	(2.42)
Net current trade receivables	162.79	254.38

Ageing of current trade receivables

Particulars	Outstanding for following periods from due date of payment						(Rs. in million)
	Current but not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023							
Undisputed Trade receivables – considered good	135.44	27.17	0.18	-	-	-	162.79
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	135.44	27.17	0.18	-	-	-	162.79



As at 31 March 2022

Undisputed Trade receivables – considered good	182.33	62.30	3.50	3.26	3.00	-	254.38
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables – credit impaired	-	-	-	-	-	2.42	2.42
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	-	62.30	3.50	3.26	3.00	2.42	256.80

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

Trade receivables are non-interest bearing and credit period varies as per the contractual terms with the customers.

Refer note 38 on credit risk of trade receivables, which explains how the Company manages and measures credit quality of trade receivables that are neither past due or impaired.

NOTE 9: OTHER FINANCIAL ASSETS

Non-current

Deposits with banks with original maturity for more than 12 months (refer note 12)*

Security deposits (unsecured, considered good)

Current

Interest accrued on deposits with banks

31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
16.40	2.76
0.53	0.27
16.93	3.03
0.35	0.68
0.35	0.68

Security deposits are non-derivative financial assets and are refundable in cash. These are measured based on effective interest method.

*Held as lien by bank against bank guarantee.

NOTE 10: OTHER ASSETS

Non-current

Capital advances (unsecured, considered good)

Prepaid expenses

Total

Current

Prepaid expenses

Balances with government authorities

Unbilled revenue

Other current assets

Total

31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
27.13	3.02
0.69	-
27.82	3.02
1.33	0.97
16.43	-
1.39	5.68
0.51	0.52
19.66	7.17

NOTE 11: CASH AND CASH EQUIVALENTS

Balance with banks

- on current accounts

- deposits with original maturity of less than three months

31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
2.45	65.71
33.50	-
35.95	65.71

NOTE 12: OTHER BANK BALANCES

Deposit with banks with original maturity of more than 3 months but less than 12 months

Deposit with banks with original maturity for more than 12 months

Less: Amount disclosed under non-current financial assets (refer note 9)

Total

31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
1,508.52	971.47
16.40	2.76
1,524.92	974.23
(16.40)	(2.76)
1,508.52	971.47



NOTE 13: SHARE CAPITAL

Authorised share capital

As on 01 April 2021

Increase/(decrease) during the year

As on 31 March 2022

Increase/(decrease) during the year

As on 31 March 2023

31 March 2023
Nos. (in million)

31 March 2022
(Rs. in million)

80.00

800.00

80.00

800.00

31 March 2023
(Rs. in million)

31 March 2022
(Rs. in million)

345.51

345.51

Issued, subscribed and fully paid-up shares (nos. million)

34.55 (31 March 2022: 34.55) equity shares of Rs. 10 each fully paid up

Total issued, subscribed and fully paid-up share capital

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

At the beginning of the year

Issued during the year

Outstanding at the end of the year

31 March 2023		31 March 2022	
Nos. (in million)	(Rs. in million)	Nos. (in million)	(Rs. in million)
34.55	345.51	34.55	345.51
34.55	345.51	34.55	345.51

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. The Company declares and pays dividends in Indian rupees. The Company has not declared dividend during the years ended 31 March 2023 and 31 March 2022.

Sterlite Technologies Limited ('STL') and Maharashtra State Electricity Transmission Company Limited ('MSETCL') executed an addendum dated 28 August 2016 to the Joint Venture agreement dated 4 May 2012 which provided that capital structure ratio of the Company between STL and MSETCL would be 51:49, STL's 51% stake would comprise entirely of equity shares allotted against cash consideration. The composition of MSETCL's 49% stake would be as follows:

- 20% in equity shares allotted against cash consideration;
- 9% in equity shares allotted as bonus shares without consideration being received in cash;
- 20% in 15% non-cumulative redeemable preference shares allotted against cash consideration.

*The Board of Directors at its meeting held on 05 February 2021 approved the allotment of 11,22,449 equity shares of Rs 10 each as Bonus Shares to MSETCL. Further, the company has transferred a sum equal to the nominal value of the shares so issued, i.e. Rs 11.22 million, from the securities premium account.

Pursuant to share purchase agreement ('SPA') dated 29 March 2022 executed between the Company, STL, MSETCL and Sterlite Power Transmission Limited ('SPTL'), SPTL has purchased STL's equity stake in MTCIL from STL w.e.f. 31 March 2022.

As a result of the above, the effective equity share capital holding ratio of the Company as at 31 March 2023 is - SPTL: 64.98% and MSETCL: 35.02%. The effective preference share capital holding ratio of the Company is - SPTL: Nil and MSETCL: 100%

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

Sterlite Power Transmission Limited [Holding company from 31 March 2022]

31 March 2023		31 March 2022	
No. in million	% holding	No. in million	% holding
22.45	64.98%	22.45	64.98%
22.45	64.98%	22.45	64.98%

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

Maharashtra State Electricity Transmission Co. Ltd.
Sterlite Power Transmission Limited

31 March 2023		31 March 2022	
No. in million	% holding	No. in million	% holding
12.10	35.02%	12.10	35.02%
22.45	64.98%	22.45	64.98%
34.55	100.00%	34.55	100.00%

e. Detail of shareholding of promoters

Name of promoters

Sterlite Power Transmission Limited
Maharashtra State Electricity Transmission Co. Ltd.
Total

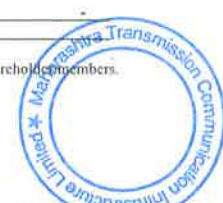
31 March 2023				
No. in shares in million at the beginning of the year	Change	No. in shares in million at the end of the year	% of total shares	% change during the year
22.45	-	22.45	64.98%	-
12.10	-	12.10	35.02%	-
34.55	-	34.55	100.00%	-

Name of promoters

Sterlite Technologies Limited
Sterlite Power Transmission Limited
Maharashtra State Electricity Transmission Co. Ltd.
Total

31 March 2022				
No. in shares in million at the beginning of the year	Change	No. in shares in million at the end of the year	% of total shares	% change during the year
22.45	(22.45)	-	-	-100.00%
-	22.45	22.45	64.98%	100.00%
12.10	-	12.10	35.02%	-
34.55	-	34.55	100.00%	-

The shareholding information is based on the legal ownership of the shares and has been extracted from the records of the Company including register of shareholder members.



NOTE 14: OTHER EQUITY

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Securities premium		
Balance as per last financial statements	6.67	6.67
Closing balance	6.67	6.67
Retained earnings		
Balance as per last financial statements	(182.97)	(310.24)
Profit/(loss) for the year	216.00	127.27
Closing balance	33.02	(182.97)
Other		
Capital contribution reserve		
Balance as per last financial statements	51.00	51.00
Closing balance	51.00	51.00

14.1 Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

14.2 Capital contribution reserve

Sterlite Technologies Limited (erstwhile holding company) had paid an amount of Rs. 51 million to MSETCL in respect of the Right of Way (ROW) granted by MSETCL to the Company for a period of 28 years (31 March 2022: 22 years) to establish communication network in the state of Maharashtra which has been accounted for as Capital contribution from STL (also refer note 5)

NOTE 15: BORROWINGS

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Preference shares		
15% Non-Cumulative Redeemable Preference Shares of Rs 10 each (unsecured) (refer note A below)	88.05	88.05
Total	88.05	88.05

A Preference shares:

	Nos. (in million)	(Rs. in million)
Authorised share capital		
As on 01 April 2021	20.00	200.00
Increase/(decrease) during the year	-	-
As on 31 March 2022	20.00	200.00
Increase/(decrease) during the year	-	-
As on 31 March 2023	20.00	200.00

Issued, subscribed and fully paid-up shares (no. million)

8.81 million (31 March 2022: 8.81 million) 15% Non-Cumulative Redeemable Preference Shares of Rs. 10 each fully paid up

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Total issued, subscribed and fully paid-up share capital	88.05	88.05

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

	31 March 2023		31 March 2022	
	No. in million	Rs. in million	No. in million	Rs. in million
At the beginning of the year	8.81	88.05	8.81	88.05
Issued during the year	-	-	-	-
Outstanding at the end of the year	8.81	88.05	8.81	88.05

b. Terms/rights attached to preference shares

The Company has issued 8.81 million (31 March 2022: 8.81 million), 15% non-cumulative, redeemable preference shares of face value of Rs.10 each to Maharashtra State Electricity Transmission Co. Ltd. (MSETCL). The preference shares are redeemable at the end of 20 years from the date of issue and redeemable at Rs.10 per share. The dividend rights are non-cumulative. The preference shares will carry a preferential right vis-à-vis equity shares of the Company with respect to the payment of dividend and repayment of capital in the event of a liquidation. For the current year ended 31 March 2023 the Company has accrued dividend of Rs. 1.50 (31 March 2022: Rs. 1.50) per non-cumulative redeemable preference share. Refer note 18 and note 28.

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

Maharashtra State Electricity Transmission Co. Ltd.

	31 March 2023		31 March 2022	
	No. in million	% holding	No. in million	% holding
	8.81	100.00%	8.81	100.00%
	8.81	100.00%	8.81	100.00%

NOTE 16: SHORT TERM BORROWINGS

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Loan from related parties (unsecured) (Refer note 37)	-	0.92
The above amount includes		
Secured borrowings	-	0.92
Unsecured borrowings	-	0.92
	-	0.92



NOTE 17: TRADE PAYABLES

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Current		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	-	0.26
- total outstanding dues of creditors other than micro enterprises and small enterprises	30.31	17.79
	<u>30.31</u>	<u>18.05</u>
Trade payables to related parties (refer note 37)	29.77	7.48
Other trade payables	0.54	10.57
Total	<u>30.31</u>	<u>18.05</u>

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

Ageing of trade payables

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
31 March 2023							
MSME	-	-	-	-	-	-	-
Others	0.29	29.75	0.26	-	-	-	30.31
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	<u>0.29</u>	<u>29.75</u>	<u>0.26</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30.31</u>
31 March 2022							
MSME	-	-	0.24	0.03	-	-	0.26
Others	-	11.11	6.68	-	-	-	17.79
Disputed dues - MSME	-	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-	-
Total	<u>-</u>	<u>11.11</u>	<u>6.91</u>	<u>0.03</u>	<u>-</u>	<u>-</u>	<u>18.05</u>

NOTE 18: OTHER FINANCIAL LIABILITIES

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Non-current		
Security deposits	-	8.83
Total	<u>-</u>	<u>8.83</u>
Current		
Payables for purchase of property, plant and equipments* (refer note 36)	55.77	20.09
Dividend payable on non-cumulative redeemable preference shares (refer note 37)	11.89	13.21
Payable to related parties (refer note 37)	20.89	17.17
Security deposits	11.17	0.29
Others	7.06	15.86
Total	<u>106.78</u>	<u>66.61</u>

* Payables for purchase of property, plant and equipment are non-interest bearing and are normally settled on 90-120 days terms.

NOTE 19: EMPLOYEE BENEFIT OBLIGATIONS

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Non-current		
Provision for gratuity (refer note 33)	-	1.63
	<u>-</u>	<u>1.63</u>
Current		
Provision for leave benefit	-	0.44
	<u>-</u>	<u>0.44</u>

NOTE 20: CONTRACT LIABILITIES

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Non-current		
Unearned revenue on IRU/ARC contracts	2,789.45	1,792.45
Total	<u>2,789.45</u>	<u>1,792.45</u>
Current		
Unearned revenue on IRU/ARC contracts	232.41	139.03
Total	<u>232.41</u>	<u>139.03</u>

NOTE 21: OTHER LIABILITIES

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Current		
Advance interest received on loan given to related parties (refer note 37)	51.41	-
TDS payable	6.22	2.65
GST payable	-	10.48
Advance from customer	-	2.99
Total	<u>57.63</u>	<u>16.12</u>



NOTE 22: DEFERRED TAX LIABILITY

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Deferred tax liability		
Property plant and equipment: Impact of difference between tax depreciation and depreciation for the financial reporting	91.40	76.82
Gross deferred tax liability	91.40	76.82
Deferred tax assets		
Employee benefit obligations	0.01	0.52
Deferred tax asset on carried forward losses and unabsorbed depreciation	49.76	76.30
Disallowance under section 40(a)(ia)	1.58	-
Gross deferred tax assets	51.34	76.82
Net deferred tax liability	40.06	-
Reconciliation of deferred tax assets/liability	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Opening deferred tax asset, net	-	-
Deferred (tax credit) / charge recorded in statement of profit and loss	40.06	-
Deferred (tax credit) / charge recorded in other comprehensive income	-	-
Closing deferred tax (asset)/ liability, net	40.06	-
The major components of income tax expense for the years ended 31 March 2023 and 31 March 2022 are:	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Deferred tax	40.06	-
Income tax expenses reported in the statement of profit or loss	40.06	-
Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Accounting profit before income tax	256.06	126.72
At India's statutory income tax rate of 25.17% (31 March 2022: 25.17%)	64.45	31.89
Deferred tax asset not recognised on tax losses carried forward	-	(31.89)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets in previous years	(24.38)	-
At the effective income tax rate 15.65 % (31 March 2022: Nil %)	40.06	-
Income tax expense reported in the statement of profit and loss	40.06	-

NOTE 23: REVENUE FROM OPERATIONS

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Revenue from contracts with customers		
Sale of goods and services (see note below)	417.77	276.77
Total revenue from operations	417.77	276.77
23.1 Disaggregated revenue information		
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
Type of goods or service	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Revenue from IRU/ARC contracts	414.92	274.80
Revenue from sale of traded goods	2.85	1.97
Total revenue from contracts with customers	417.77	276.77
India	417.77	276.77
Outside India	-	-
Total revenue from contracts with customers	417.77	276.77
Timing of revenue recognition		
Revenue recognised at a point in time	2.85	1.97
Revenue recognised over time	414.92	274.80
Total revenue from contracts with customers	417.77	276.77

The Company collects GST on behalf of the Government. Hence, GST is not included in revenue from contract with customers.

The Company's primary business activity comprises of establishing communication network in the state of Maharashtra, India. Based on the guiding principles given in Ind AS - 108 "Operating Segments", this activity falls within a single operating segment and accordingly the disclosures of Ind AS -108 have not been given.

23.2 Contract balances

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Trade receivables	164.18	256.80
Contract liabilities	3,021.86	1,931.48

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

23.3 Performance obligation

Information about the Company's performance obligations are summarised below:

Revenue from IRU/ARC contracts:

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

Revenue from sale of traded goods:

The performance obligation is satisfied at a point in time upon delivery of the goods and payment is generally due within 30 to 90 days from delivery.

23.4 Revenue recognised in relation to contract liabilities

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Amount included in contract liabilities at the beginning of the year	139.03	65.34
23.5 Transaction price allocated to the remaining performance obligations		
- Within one year	232.41	139.03
- More than one year	2,789.45	1,792.45



NOTE 24: OTHER INCOME

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Miscellaneous income	2.44	0.02
Liabilities written back	15.07	-
Gain on settlement of defined benefit obligation (refer note 33)	2.04	-
Total	19.55	0.02

NOTE 25: EMPLOYEE BENEFIT EXPENSE

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Salaries, wages and bonus	1.05	5.10
Contribution to provident fund	0.02	0.18
Gratuity expenses (refer note 33)	-	0.12
Staff welfare expenses	0.41	0.26
Total	1.48	5.66

NOTE 26: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Depreciation of tangible assets	54.32	64.25
Amortisation of intangible assets	5.85	2.22
Amortisation of ROU lease asset	0.44	0.44
Total	60.61	66.91

NOTE 27: FINANCE INCOME

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Interest income on fixed deposit	61.66	17.19
Interest income on loan to related parties	33.77	-
Interest income on income tax refund	0.39	0.33
Total	95.82	17.52

NOTE 28: FINANCE COST

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Interest expense on loan from banks	-	3.19
Bank charges	0.63	0.20
Interest expense on lease liability (refer note 30)	0.68	0.79
Dividend paid on non-cumulative redeemable preference shares (refer note 37)	13.21	13.21
Interest others	0.31	0.25
Total	14.83	17.64

NOTE 29: OTHER EXPENSES

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Rates and taxes	0.49	0.52
Network repairs and maintenance charges	20.82	18.88
Power expenses	8.75	5.13
Travelling and conveyance	1.82	1.75
Legal and professional expenses	5.35	6.13
Revenue share (refer note 37)	20.89	13.83
Payment to auditor (refer details below)	0.30	0.55
Directors sitting fee (refer note 37)	0.50	0.06
Insurance	1.48	1.33
Rent expense	6.05	-
Brokerage to related party	82.69	-
Management fees (refer note 37)	42.63	24.99
CSR expenses	0.13	-
Miscellaneous expenses	5.93	2.79
Total	197.84	75.95

a) Payment to auditor

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Audit fee	0.20	0.33
Tax audit fee	0.10	0.22
Total	0.30	0.55

b) Corporate social responsibility expenses

Section 135 of the Companies Act, 2013 is applicable on the Company and 2% of its average net profits of the last three financial years is positive. Hence, the Company is required to contribute towards Corporate Social Responsibility activities.

Details of CSR expenditure:

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
a) Gross amount required to be spent by the Company during the year	0.13	-
b) Amount approved by the Board to be spent during the year	0.13	-
Particulars	In Cash	In Cash
i) Construction/acquisition of any asset	-	-
Amount spent during the year ending	-	-
ii) On purposes other than (i) above	-	-
Amount spent during the year ending	0.13	-
d) Details related to spent / unspent obligations:		
i) Contribution to Public Trust	-	-
ii) Contribution to Charitable Trust	0.13	-
iii) Unspent amount in relation to:		
- Ongoing project	-	-



NOTE 30: LEASE LIABILITY

The Company has long term lease contracts for land. Information about leases for which the Company is lessee is presented below.

Lease liabilities

Maturity analysis - contractual undiscounted cash flows	Amount (Rs. in million)
Less than one year	0.82
One to two years	0.87
Two to five years	2.97
More than five years	9.89
Total undiscounted lease liabilities at 31 March 2023	14.56
Unaccrued finance cost	7.53
Net lease liability	7.03

Set out below, are the carrying amount of the Company's liabilities and the movement during the year.

Particulars	Amount (Rs. in million)
Opening lease liabilities as at 1 April 2022	6.98
Add: Additions	-
Add: Interest expense	0.68
Less: Payments	(0.63)
As at 31 March 2023	7.03
Current	0.12
Non-current	6.91

NOTE 31: EARNINGS PER SHARE

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

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

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

	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Profit for the year	216.00	126.72
Weighted average number of equity shares in calculating basic and diluted EPS	34.55	34.55
Earning per share		
Basic EPS (on nominal value of Rs. 10 per share) Rupees/share	6.25	3.67
Diluted EPS (on nominal value of Rs. 10 per share) Rupees/share	6.25	3.67

NOTE 32: SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

Estimates and Assumptions

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

Impairment of property, plant and equipment

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 future 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.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent of deferred tax liability considering the probability of taxable profit will be available against which the losses 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 the level of future taxable profits together with future tax planning strategies.

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NOTE 33: GRATUITY DISCLOSURES

The Company has a defined benefit gratuity plan which is managed by Sterlite Technologies Limited (erstwhile holding company). Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

Changes in the present value of the defined benefit obligation are as follows:

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Defined benefit obligation at the beginning of the year	1.63	2.06
Interest cost	-	0.12
Service cost	-	-
- Current service cost	-	-
- Gain on settlement*	(1.63)	-
Benefit Paid Directly by the company	-	-
Actuarial (gain)/loss due to change in demographic assumption	-	-
Actuarial (gain)/loss due to change in financial assumption	-	-
Actuarial (gain)/loss on obligation due to experience	-	(0.55)
Present value of benefit obligation at the end of the year	-	1.63

*During the year, all the employees have been transferred by the Company and hence there is a gain on settlement of the liability

Details of defined benefit obligation

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Present value of defined benefit obligation	-	1.63
Fair value of plan assets	-	-
Plan liability	-	1.63

Net employee benefit expense recognised in the statement of profit and loss:

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Current service cost	-	-
Gain on settlement	(1.63)	-
Interest cost on benefit obligation	-	0.12
Net benefit expense	(1.63)	0.12

Expenses recognized in the other comprehensive income (OCI) for the year

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Actuarial (gains)/losses on obligation for the year	-	(0.55)
Net (income)/expense for the year recognized in OCI	-	(0.55)

Amounts for the current and previous years are as follows:

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Defined benefit obligation	-	1.63
Plan assets	-	-
Surplus / (deficit)	-	(1.63)
Experience adjustments on plan liabilities	-	(0.55)
Experience adjustments on plan assets	-	-

The principal assumptions used in determining defined benefit obligation are shown below:

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Discount rate	NA	6.06%
Expected rate of return on plan asset	NA	NA
Employee turnover	NA	2.00%
Expected rate of salary increase	NA	7.00%
Actual rate of return on plan assets	NA	NA

The estimated future salary increase, considered in actuarial valuation, takes into account the effect of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Sensitivity analysis

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Projected Benefit Obligation on Current Assumptions	-	1.63
Delta Effect of +1% Change in Rate of Discounting	-	(0.09)
Delta Effect of -1% Change in Rate of Discounting	-	0.09
Delta Effect of +1% Change in Rate of Salary Increase	-	0.09
Delta Effect of -1% Change in Rate of Salary Increase	-	(0.09)
Delta Effect of +1% Change in Rate of Employee Turnover	-	(0.00)*
Delta Effect of -1% Change in Rate of Employee Turnover	-	0.00*

* Amounts below Rs. 0.01 million

Maturity analysis of projected benefit obligation: From the Employer

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
Projected benefits payable in future years from the date of reporting	-	-
1 year	-	0.02
2 to 5 years	-	2.03
6 to 10 years	-	-



NOTE 34: CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is Rs. 1,328.84 million (31 March 2022: Rs. 22.32 million).

NOTE 35: CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 March 2023 and 31 March 2022.

NOTE 36: DETAILS OF DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES AS PER MSMED ACT, 2006

Particulars	31 March 2023 (Rs. in million)	31 March 2022 (Rs. in million)
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises*	1.07	0.26
Interest due on above*	0.07	0.26
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.07	0.26
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	-	-

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 is Rs 0.07 million (31 March 2022: Rs 0.26 million) and same is accrued in the books of accounts. Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "suppliers" / informations available with the Company regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

* The same is included in payable for purchase of property, plant and equipment. (refer note 18)

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MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2023

NOTE 37: RELATED PARTY TRANSACTIONS

A Name of related party and nature of relationship

2. Related party where control exists:

Nature of relationship
 Immediate Holding Company (up to 30 March 2022)
 Immediate Holding Company (from 31 March 2022)
 Intermediate Holding Company
 Ultimate Holding Company

b. Other related parties with whom transactions have taken place during the year

Fellow subsidiary (up to 30 March 2022)
 Entity Exercising Significant Influence
 Fellow Subsidiary of Entity Exercising Significant Influence
 Fellow subsidiary
 Fellow subsidiary
 Fellow subsidiary
 Director (from 24 December 2021)
 Director (from 12 November 2020)
 Director (from 24 December 2021)

8. The transactions with related parties during the year and their consolidated balances were as follows:

[illegible]

NOTE 38: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company reviews and agrees policies for managing each of these risks, which are summarised below:

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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

(a) Market risk

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

Interest rate risk

The Company is not exposed to the interest rate fluctuation as the Company manages its interest rate risk by having fixed rate borrowings.

Interest rate sensitivity

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

(b) Credit risk

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

Trade receivables

Customer credit risk is managed through established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. As at 31 March 2023 and 31 March 2022, the outstanding balance relates to very few customers and management expects to collect the amount in near future.

An impairment analysis is performed at each reporting date. The calculation is based on historical data. The maximum exposure to credit risk of the components of balance sheet at the reporting date is the carrying value of each class of financial assets disclosed in note 7, 8, 9, 11 and 12. The Company does not hold collateral as

Balances with banks

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

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MAHARASHTRA TRANSMISSION COMMUNICATION INFRASTRUCTURE LIMITED
Notes to financial statements for the year ended 31 March 2023

(c) Liquidity risk

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

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 30 to 90 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

						(Rs. in million)
Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 year to 5 years	> 5 years	Total
As at 31 March 2023						
Borrowings	-	-	-	-	88.05	88.05
Other financial liabilities	-	18.23	32.77	-	-	51.00
Trade payables	-	30.31	-	-	-	30.31
Payables for purchase of property, plant and equipment	-	55.77	-	-	-	55.77
	-	104.31	32.77	-	88.05	225.14
As at 31 March 2022						
Borrowings	0.92	-	-	-	88.05	88.97
Other financial liabilities	-	16.15	30.38	8.83	-	55.36
Trade payables	-	18.05	-	-	-	18.05
Payables for purchase of property, plant and equipment	-	20.09	-	-	-	20.09
	0.92	54.29	30.38	8.83	88.05	182.46

NOTE 39: CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio optimum. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents and current investments.

Particulars	As at 31 March 2023 (Rs. in million)	As at 31 March 2022 (Rs. in million)
Unsecured loan from related party	-	0.92
15% Non-cumulative redeemable preference shares	88.05	88.05
Trade payables	30.31	18.05
Other financial liabilities	106.78	75.44
Less: Cash and cash equivalents and other bank balance	(1,544.47)	(1,037.18)
Net debt	(1,319.33)	(854.72)
Equity share capital	345.51	345.51
Other equity	90.69	(125.30)
Total capital	436.20	220.21
Capital and net debt	(883.13)	(634.51)
Gearing ratio	149.39%	134.71%

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

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



NOTE 40: RATIO ANALYSIS AND ITS ELEMENTS

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% change	Reason for variance above 25%
Current ratio	Current assets	Current liabilities	4.16	5.39	-22.77%	Not applicable
Debt-Equity ratio	Total debt = Short-term borrowings + Long-term borrowings	Shareholder's equity = Equity share capital + Securities premium + Retained earnings + Other reserves	0.20	0.40	-50.04%	The decrease in debt equity ratio is because of increase in Shareholder's fund due to profit earned during the year.
Debt service coverage ratio	Earnings for debt service = Profit/(loss) after tax + Depreciation and amortisation expense + Finance costs - Finance income	Debt service = Interest payments + Principal repayment of long term borrowings + Net repayment (proceeds) of short-term borrowings	61.71	0.85	7145.11%	The improvement in debt service coverage ratio is because of repayment of long term borrowings from banks availed by the Company during the previous year resulting in reduction in interest cost and future principal repayment obligation of the Company.
Return on equity ratio	Profit/(loss) after tax	Average shareholder's equity = (Opening shareholder's equity + Closing shareholder's equity)/2	66%	82%	-19.77%	Not applicable
Inventory turnover ratio	Not applicable	Average trade receivables = (Opening trade receivables + Closing trade receivables)/2	Not applicable	Not applicable	Not applicable	Not applicable
Trade receivable turnover ratio	Net credit sales	Revenue from operations	2.00	1.81	10.53%	Not applicable
Trade payable turnover ratio	Net credit purchases = Purchase of traded goods + Other expense	Average trade payables = (Opening trade payables + Closing trade payables)/2	8.28	8.00	3.44%	Not applicable
Net capital turnover ratio	Net sales = Revenue from operations	Working capital = Current assets - Current liabilities	0.31	0.26	18.31%	The improvement in net capital turnover ratio is because of improvement in working capital position of the Company and upfro cash collected by the Company on account of new IRU contracts entered during the year.
Net profit ratio	Net profit = Profit/(loss) after tax	Net sales = Revenue from operations	52%	46%	12.92%	Not applicable
Return on capital employed	Earnings before interest and taxes = Earning before interest, tax, depreciation and amortisation - Depreciation and amortisation expense	Capital employed = Shareholder's equity + Total debt	33%	41%	-18.60%	Not applicable
Return on investment	Return = Interest income on bank deposits	Investment = Deposits with banks	4%	2%	129.16%	The increase in return on investment is because of increase amount interest earned on fixed deposits made during the current and previx year which are outstanding as on 31 March 2023.



NOTE 41: FAIR VALUE

There are no financial instruments which are measured at fair value as at the year end. The management assessed that fair values of cash and cash equivalents, trade payables and other financial assets and liabilities (including short term borrowings, if any) approximate to their carrying amounts largely due to the short-term maturities of these instruments. For fixed rate borrowings, fair values approximate their carrying amounts largely due to movements in interest rates from the recognition of such financial instrument till period end not being material.

NOTE 42: SEGMENT DISCLOSURES

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

NOTE 43: ADDITIONAL DISCLOSURES REQUIRED BY SCHEDULE III (DIVISION II) OF THE ACT, AS AMENDED

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

- (i) The Company has granted loan to Sterlite Convergence Limited which has been utilised by it to grant further loan to Sterlite Power Transmission Limited. Details of the loan given by the Company are as follows. Also refer Note 7 for the terms of the loans given.

S. No.	Name of intermediary	Relation with the company	CIN	Registered address	Nature of transaction	Date	Amount (Rs. in million)
1	Sterlite Convergence Limited	Fellow subsidiary	U64100DL2017PLC319310	DLF Cyber Park, Block B, 9th Floor, Udyog Vihar, Phase III, Sector-20 Gurugram Gurgaon HR 122008 IN	Loan given	23-08-2022	500.00

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

S. No.	Name of ultimate beneficiary	Relation with intermediary	CIN	Registered address	Nature of transaction	Date	Amount (Rs. in million)
1	Sterlite Power Transmission Limited	Immediate holding company	U74120PN2015PLC156643	4th Floor, Godrej Millennium, 9 Koregaon Road, Pune-411001	Loan given	08-09-2022	430.00

- (ii) The Company has availed working capital facility from the bank on the basis of security of current assets. The Company files the statement of current assets with the bank on periodical basis. Following are the discrepancies between books of accounts and quarterly statements submitted to lender with whom credit facilities have been sanctioned on 11 November 2022.

For the year ended March 31, 2023

1 Trade payable

S.No.	Quarter	Amount as reported in the quarterly return/ statement	Reconciling Items (Note 1)		Amount as per books of accounts	Net difference	Remarks (Note 1)
			Provision for services and expenses (refer note 1)	Management fee payable			
1	Dec-22	19.04	-	-	19.04	-	
2	Mar-23	0.70	20.02	9.59	30.31	-	Entries taken in books in yearly closure post submission of statement with the bank.

2 Trade receivable

S.No.	Quarter	Amount as reported in the quarterly return/ statement	Reconciling Items		Amount as per books of accounts	Net difference	Remarks
			Provision for doubtful debts	Advance from customers			
1	Dec-22	177.31	-	-	177.31	-	
2	Mar-23	162.79	-	-	162.79	-	

NOTE 44: OTHER STATUTORY INFORMATION

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

As per our report of even date

For GSKA & Co.
Chartered Accountants
Firm Registration No. 147093W

per Ganesh Gulkwad
Partner
Membership Number: 135612
Place: Pune
Date: 09 August 2023



For and on behalf of the board of directors of
Maharashtra Transmission Communication Infrastructure Limited

Surya Rajsheshkar Deshraj
Managing Director
DIN: 08920289
Place: Mumbai
Date: 09 August 2023

Benoy Varghese
Chief Financial Officer
Place: Mumbai
Date: 09 August 2023

Syed Nasir Quadri
Chairman
DIN: 09364397
Place: Mumbai
Date: 09 August 2023

Pankhuri Warange
Company Secretary
Place: Mumbai
Date: 09 August 2023

