Sterlite Technologies Limited
Godrej Millennium,
9, Koregoan Road, Pune 411 001,
Maharashtra, India
Phone: +91-20-30514000
Fax: +91-20-30514113

June 24, 2019

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C-1, G Block,
Bandra Kurla Complex, Bandra (East)
Mumbai - 400 051.

BSE Limited
Phirozee Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

Subject: Submission of Annual Report and AGM Notice

Ref.: Scrip ID - STRTECH/ Scrip Code – 532374

Dear Sirs,

Pursuant to Regulation 30 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), we are enclosing herewith Annual Report for the year 2018-19 and Notice of Annual General Meeting to be held on Tuesday, July 23, 2019 to transact the following business:

Ordinary Business

1. (a) To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and the Auditors thereon.

   (b) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 and the Report of the Auditors thereon.

2. To declare Dividend of Rs. 3.50 per Equity Share for the financial year ended March 31, 2019.

3. To appoint a Director in place of Mr. Pravin Agarwal (DIN 00022096), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

4. To re-appoint Mr. Arun Todarwal as an Independent Director

5. To re-appoint Mr. A.R. Narayanaswamy as an Independent Director

6. To approve remuneration of Cost Auditor

7. Raising of the funds through Qualified Institutional Placement (QIP) / External Commercial Borrowings (ECBs) with rights of conversion into Shares / Foreign Currency Convertible Bonds (FCCBs) / American Depository Receipts (ADRs)/Global Depository Receipts (GDRs) /Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPs/CCPs) etc. pursuant to Section 62 of Companies Act, 2013.

Kindly take the same on record.

Sterlite Technologies Limited

A.V. Deshpande

Sterlite Technologies Limited
Godrej Millennium.
9, Koregoan Road, Pune 411 001,
Maharashtra, India
Phone: +91-20-30514000
Fax: +91-20-30514113

Thanking you,

Yours faithfully,
For **Sterlite Technologies Limited**

A.V. Deshpande

Amit Deshpande
Company Secretary (ACS 17551)
Enclosure: As above

Sterlite Technologies Limited

CC:

National Securities Depository Limited

4th Floor, 'A' Wing, Trade World, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel
Mumbai - 400013

Central Depository Services (India) Limited

Phiroze Jeejeebhoy Towers, 17th Floor,
Dalal Street, Mumbai - 400001

Karvy Fintech Private Limited

Karvy Selenium Tower-B, Plot No. 31 & 32,
Financial District, Gachibowli, Nanakramguda, Serilingampally
Hyderabad - 500008 India

STERLITE TECHNOLOGIES LIMITED

CIN - L31300MH2000PLC269261
Regd. Office: E 1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra- 431 136, India
Email - secretarial@sterlite.com; Website – www.sterlitetech.com;
Phone: +91 20 30514000; Fax: +91 20 30514113

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting ("AGM") of the members of Sterlite Technologies Limited will be held on Tuesday, July 23, 2019 at 11.00 a.m. IST at the Registered Office of the Company at E1, MIDC Industrial Area, Waluj, Aurangabad – 431 136, Maharashtra, India to transact the following businesses:

ORDINARY BUSINESS:

1. a) To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and the Auditors thereon.

   b) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 and the Report of the Auditors thereon.

2. To declare Dividend of ₹ 3.50 per Equity Share for the financial year ended March 31, 2019.

3. To appoint a Director in place of Mr. Pravin Agarwal (DIN 00022096), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS :

4. To re-appoint Mr. Arun Todarwal as an Independent Director

To consider and, if thought fit, to pass the following resolution, as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), and the Rules made there under, read with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment thereof, for the time being in force], Mr. Arun Todarwal (DIN 00020916), who was appointed by the Board of Directors as Additional (Independent) Director of the Company with effect from April 1, 2019, and who holds office upto the date of this AGM in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 2 (two) consecutive years with effect from April 1, 2019 upto March 31, 2021.

RESOLVED FURTHER THAT any Director of the Company and the Company Secretary be and are hereby severally authorised to file the necessary forms with the Registrar of Companies and to do all such acts, deeds, things, as may be necessary to give effect to this resolution.

5. To re-appoint Mr. A.R. Narayanaswamy as an Independent Director

To consider and, if thought fit, to pass the following resolution, as a **Special Resolution**:

RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), and the Rules made there under, read with Schedule IV of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or re-enactment thereof, for the time being in force], Mr. A.R. Narayanaswamy (DIN – 00818169), who was appointed by the Board of Directors as an Additional (Independent) Director of the Company with effect from April 1, 2019, and who holds office upto the date of this AGM in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 2 (two) consecutive years with effect from April 1, 2019 upto March 31, 2021.

RESOLVED FURTHER THAT any Director of the Company and the Company Secretary be and are hereby severally authorised to file the necessary forms with the Registrar of Companies and to do all such acts, deeds, things, as may be necessary to give effect to this resolution."

6. **To approve remuneration of Cost Auditor**

To consider and, if thought fit, to pass the following resolution, as an Ordinary Resolution:

RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof, for the time being in force], approval of the Company be and is hereby accorded to payment of remuneration of ₹ 1,10,000/- plus applicable taxes, and reimbursement of actual travel and out-of-pocket expenses, if any, to Mr. Kiran Naik, Cost Accountant (Registration Number 10927) for audit of the cost records of the Company for the Financial Year 2019-20.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Audit Committee be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

7. **Raising of the funds through Qualified Institutional Placement (QIP) / External Commercial Borrowings (ECBs) with rights of conversion into Shares / Foreign Currency Convertible Bonds (FCCBs) / American Depository Receipts (ADRs) / Global Depository Receipts (GDRs) /Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPs/CCPs) etc. pursuant to Section 62 of Companies Act, 2013**

To consider and, if thought fit, to pass the following resolution, as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 62(1)(a), 62(1)(c), 71, 179 and other applicable provisions, if any, of the Companies Act, 2013 ("**Companies Act**"), the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (including any amendment(s), statutory modification(s) or re-enactment thereof), the provisions of the Memorandum of Association and the Articles of Association of the Company and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), the listing agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited ("**Stock Exchanges**") on which the equity shares having face value of ₹ 2/- each of the Company ("**Equity Shares**") are listed, the provisions of the Foreign Exchange Management Act, 1999 and rules and regulations framed there under, as amended, including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended, the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004, as amended, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, the Depository Receipts Scheme, 2014, as amended, the extant Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, (the "**Debt Listing Regulations**"), the Reserve Bank of India Master Directions on Foreign Investment in India, 2018 and subject to other applicable rules, regulations and guidelines issued by the Ministry of Corporate Affairs ("**MCA**"), the relevant Registrar of Companies, Securities and Exchange Board of India ("**SEBI**"), Reserve Bank of India ("**RBI**"), Government of India ("**GoI**"), Stock Exchanges and / or any other competent authorities (herein referred to as "**Applicable Regulatory Authorities**"), from time to time and to the extent applicable, and subject to such approvals, permissions, consents and sanctions as may be necessary or required from the Applicable Regulatory Authorities in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any or all of them while granting any such approvals, permissions, consents and / or sanctions, which may be agreed to by the Board of Directors of the Company ("**Board**", which term shall include any committee thereof which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred by this resolution), consent, authority and approval of the Members of the Company, be and is hereby accorded to the Board and the Board be and is hereby authorised to create, offer, issue and allot (including with provisions for reservations on firm and/ or competitive basis, or such part of issue and for such categories of persons, including employees, as may be permitted) such number of equity shares and equity linked instruments, including convertible preference shares, non-convertible debt instruments along with warrants, fully convertible debentures, partly convertible debentures, and/or any other securities convertible into equity shares (including warrants or otherwise), global depository receipts ("**GDRs**"), American depository receipts ("**ADRs**"), foreign currency convertible bonds ("**FCCBs**"), (all of which are hereinafter collectively referred to as "**Securities**") or any combination of Securities, in one or more tranches, whether Rupee denominated or denominated in one or more foreign currencies in the course of international and / or domestic offerings, in one or more foreign markets and/or domestic markets, through public and/or private offerings and/or rights offering and/ or by way of qualified institutions placement, or any combination thereof, through issue of prospectus and/or preliminary placement document, placement document and/or other permissible/ requisite offer documents to any eligible person, including qualified institutional buyers in accordance with Chapter VI of the SEBI Regulations, or otherwise, including foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, stabilising agents, pension funds and/or any other categories of investors, whether they be holders of Equity Shares of the Company or not (collectively called the "**Investors**"), as may be decided by the Board in its discretion and permitted under applicable laws and regulations, for an aggregate consideration of up to ₹ **1000 crores (Rupees One Thousand Crores only)** (inclusive of such premium as may be fixed on such Securities) at such time or times, at such price or prices, at a discount or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions as may be deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such creation, offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with book running lead manager(s) and/or underwriter(s) and/or other advisor(s) appointed and/or to be appointed, as the Board in its absolute discretion may deem fit and appropriate.

RESOLVED FURTHER THAT if any issue of Securities is made by way of a qualified institutions placement ("**QIP**") in terms of Chapter VI of the SEBI Regulations:

(a) the allotment of the Securities, or any combination of Securities as may be decided by the Board, shall be completed within 365 days from the date of passing of the special resolution by the Members or such other time as may be allowed under the SEBI Regulations from time to time;

(b) the Securities shall not be eligible to be sold by the allottee for a period of 1 year from the date of allotment, except on a recognised stock exchange, or such other time as may be permitted under the SEBI Regulations;

(c) the relevant date for the purpose of pricing of the Securities shall be the date of the meeting in which the Board decides to open the QIP and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI Regulations;

(d) the minimum number of allottees shall not be less than two, where the issue size is less than or equal to ₹ 250 crores and five, where the issue size is greater than ₹ 250 crores;

(e) in the event that convertible securities and/or warrants which are convertible into Equity Shares of the Company are issued along with non-convertible debentures to qualified institutional buyers under Chapter VI of the SEBI Regulations, the relevant date for the purpose of pricing of such securities, shall be the date of the meeting in which the Board decides to open the issue of such convertible securities and/or warrants along with non-convertible debentures and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI Regulations; and

(f) the Board may, in accordance with applicable law, also offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI Regulations.

RESOLVED FURTHER THAT if any issue of Securities is made by way of a rights issue to the existing shareholders of the Company as on a record date to be determined, including reservation of Equity Shares in favour of holders of outstanding convertible debt instruments, if any, as on a record date to be determined, in terms of Chapter III of the SEBI Regulations ("**Rights Issue**"), the same shall be on such other terms and conditions as may be mentioned in the draft letter of offer and letter of offer to be issued by the Company in respect of the Rights Issue, including:

(a) rights to the existing shareholders to whom the offer is made to renounce, the Equity Shares being offered, in favour of any other person(s);

(b) the persons to whom the Equity Shares are being issued shall be entitled to apply for additional Equity Shares in the Rights Issue;

(c) the manner in which allotment of the additional Equity Shares, if any, shall be made in the proportion to be decided by the Board at its discretion;

(d) the Equity Shares so offered, issued, and allotted shall rank pari passu in all respects with the existing Equity Shares of the Company except for payment of dividend which will be pro-rata from the date of allotment and shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company;

(e) the Board may dispose of the unsubscribed portion in such manner as it may think most beneficial to the Company;

(f) all monies received out of Rights Issue shall be transferred to a separate bank account maintained by the Company for the purpose of the Rights Issue;

(g) the Company shall utilise the monies received pursuant to the Rights Issue upon a confirmation from the lead manager(s) to the bankers by way of copies of listing and trading approvals that all formalities in connection with the issue have been completed, in accordance with the provisions of the SEBI Regulations and other applicable laws;

(h) details of all monies utilised out of the Rights Issue referred to in (g) hereinabove shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such monies had been utilised, or in any other manner as may be required under the applicable laws; and

(i) details of all unutilised monies out of the Rights Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the form in which such unutilised monies have been invested, or in any other manner as may be required under the applicable laws.

RESOLVED FURTHER THAT the issue to the holders of the Securities, which are convertible into or exchangeable with Equity Shares at a later date shall be, inter alia, subject to the following terms and conditions:

(a) in the event the Company is making a bonus issue by way of capitalisation of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;

(b) in the event the Company is making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders;

(c) in the event of merger, amalgamation, takeover or any other re-organisation or restructuring or any such corporate action, if and as required, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted; and

(d) in the event of consolidation and/or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or re-classification of the Securities into other securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolution the Equity Shares that may be issued by the Company (including issuance of the Equity Shares pursuant to conversion of any Securities, as the case may be in accordance with the terms of the offering) shall rank pari passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as ADRs or GDRs, the relevant date for the purpose of pricing the Securities shall be the date of the meeting in which the Board decides to open the issue of such Securities in accordance with the Depository Receipts Scheme, 2014 (including any amendment or replacement/substitution thereof) and other applicable pricing provisions issued by the Ministry of Finance.

RESOLVED FURTHER THAT in the event the Securities are proposed to be issued as FCCBs, the relevant date for the purpose of pricing the Securities shall be the date of the meeting in which the Board decides to open the issue of such Securities in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through the Depository Receipt Mechanism) Scheme, 1993 (including any amendment or replacement/substitution thereof) and other applicable pricing provisions issued by the Ministry of Finance.

RESOLVED FURTHER THAT in pursuance of the aforesaid resolutions:

(a) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company; and

(b) the Securities to be created, offered, issued and allotted in terms of this Resolution (including issuance of the Equity Shares pursuant to conversion of any Securities as the case may be in accordance with the terms of the offering), shall rank pari passu in all respects with the existing Securities of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any creation, offer, issue or allotment of Securities, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities, on Stock Exchanges.

RESOLVED FURTHER THAT the Board of Directors or person(s) as may be authorised by the Board, be and is/are hereby severally authorised to do all such acts, deeds, matters and things as it may be considered necessary, desirable or expedient including to resolve and settle any questions and difficulties that may arise in connection with the proposed creation, offer, issue and allotment of the Securities.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to a committee of the Board or any such persons as it may deem fit in its absolute discretion, with the power to take such steps and to do all such acts, deeds, matters and things as they may deem fit and proper for the purposes of the issue(s) and settle any questions or difficulties that may arise in regard to the issue(s)."

By order of the Board of Directors of **Sterlite Technologies Limited**

Date: April 23, 2019
Place: Pune

Amit Deshpande
Company Secretary &
Corporate General Counsel

NOTES:

1. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special Businesses to be transacted at the meeting is annexed hereto.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE GENERAL MEETING, IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

3. Proxies, in order to be effective, must be duly filled, stamped, signed and deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. A form of Proxy and Attendance Slip is enclosed.

   A person can act as a proxy on behalf of members not exceeding 50 (fifty) and holding in aggregate not more than 10 % of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4. Corporate Members intending to send their authorised representative to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.

5. The Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts or Arrangements in which Directors are interested, will be available for inspection by the members at the Meeting.

6. As required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), and Secretarial Standard 2 on General Meetings, details in respect of directors seeking re-appointment at the AGM, are separately annexed hereto.

7. The Register of Members and Share Transfer Books will remain closed from Saturday, July 20, 2019 to Tuesday, July 23, 2019 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.

8. If Dividend on Equity Shares as recommended by the Board of Directors for the financial year ended March 31, 2019 is approved at the AGM, payment of such dividend will be made within a period of 30 days from the date of declaration as under –

   a) To all Beneficial Owners in respect of shares held in dematerialised form as per the data as may be made available by the National Securities Depository Limited and the Central Depository Services (India) Limited as of the close of business hours on Friday, July 19, 2019.

   b) To all Members in respect of shares held in physical form after giving effect to request for change of ownership by legal heirs lodged with the Company on or before the close of business hours on Friday, July 19, 2019.

9. All correspondence relating to transfer and transmission of shares, sub-division of shares, issue of duplicate share certificates, change of address, dematerialisation of shares, payment of dividend etc. will be attended to and processed at the office of Registrar & Share Transfer Agent viz. Karvy Fintech Private Limited, Hyderabad ('Karvy'). For contact details of the Registrar and Share Transfer Agent please refer to Corporate Governance Report in the Annual Report.

10. Members holding shares in dematerialised form are requested to intimate all changes pertaining to their bank details, NECS, ECS mandates, power of attorney, change of address/name/email address(es), etc. to their Depository Participant only and not to the Company's Registrar and Share Transfer Agent. Changes intimated to the Depository Participant will automatically get reflected in the Company's records which will help the Company and its Registrar and Share Transfer Agent to provide efficient and better service to the Members. Members holding shares in physical form are requested to advice such changes to Karvy.

11. Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares and for ease in portfolio management. Members can contact Karvy, or directly approach any Depository Participant for assistance in this regard.

12. Members who hold shares in physical form in multiple folios, in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy, for consolidation into a single folio.

13. The members who are interested availing nomination facility may obtain the necessary application from Karvy.

14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. SEBI has also emphasised the need to make payment of dividend through e-payment and made it mandatory

to print Bank Account details on Dividend Warrant. In view of the same, Members holding shares in electronic form are requested to submit their PAN and Bank Account details to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to Karvy.

15. Non-Resident Indian Members are requested to inform Karvy, immediately of:

    (a) Change in their residential status on return to India for permanent settlement.

    (b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

16. Queries, if any, on the Annual Report should be sent to the Company in the name of Company Secretary or Chief Financial Officer at its Corporate Office at Ground Floor, Godrej Millenium, 9 Koregaon Road, Pune 411001, Maharashtra, India in such a way that the Company will receive the same at least 7 (seven) days before the AGM.

17. All documents referred to in the above Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 2.00 p.m. and 5.00 p.m. on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the voting results.

18. Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to Investor Education and Protection Fund ("IEPF") of the Central Government, established under Section 125 of the Companies Act, 2013. Further, pursuant to the provisions of Section 124 of the Act and IEPF Rules, all the shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority. Hence, members who have not so far encashed their dividend warrants for the years from 2011-12 to 2017-18 may approach Karvy, for payment thereof, to avoid transfer as per the dates mentioned below:

Dividend for the year	Due Date for Transfer to IEPF
2011 – 12	October 17, 2019
2012 – 13	September 11, 2020
2013 – 14	September 24, 2021
2014 – 15	September 9, 2022
2015 – 16	October 6, 2023
2016 – 17 (Interim)	December 9, 2023
2016-17	August 10, 2024
2017-18	August 2, 2025
2018-19	August 23, 2026

Members whose shares have been transferred to IEPF may claim the shares by making an application in Form IEPF-5. Detailed procedure and the required documentation for claiming the shares/dividend refund can be accessed at https://iepf.gov.in/IEPFA/refund.html.

19. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with their Depository Participants or with Karvy to enable us to send them communications via email.

20. The businesses set out in the Notice will be transacted through remote e-voting and ballot paper at the venue of the meeting and the Company is providing facility for the same. The complete details of the instructions for remote e- voting and voting at the venue of the AGM are annexed to this Notice.

21. Members attending the AGM are requested to bring their copies of Annual Report along with the duly filled attendance slip.

22. A route map to the venue of the AGM has been provided at the end of this Notice.

By order of the Board of Directors of
Sterlite Technologies Limited

Date: April 23, 2019
Place: Pune

Amit Deshpande
Company Secretary &
Corporate General Counsel

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE AGM

Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 on General Meetings

(Particulars as on April 1, 2019)

Name of the Director	Mr. Pravin Agarwal	Mr. Arun Todarwal	Mr. A.R.Narayanaswamy
DIN	00022096	00020916	00818169
Date of Birth	16-Oct-1954	16-Jan-1957	22-Dec-1951
Date of Joining Board	29-Jan-2004	25-Jan-2003	30-Apr-2007
Experience (including expertise in specific functional area)/Brief Resume	Mr. Pravin Agarwal is the Vice Chairman and Whole Time Director of Sterlite Technologies Limited, and is also the Non-Executive Chairman of Sterlite Power Transmission Limited (demerged undertaking for the power business). He has been closely involved with Sterlite Group's operations in India since inception, and has been instrumental in the growth of the telecom and power businesses. His rich experience in general management and commercial matters spans about three decades.	Mr. Arun Todarwal, partner of M/s Arun Todarwal & Associates LLP, a Mumbai-based firm of chartered accountants, is a member of ICAI. He has a rich and varied experience spanning over four decades in management consultancy, finance and audit. He is an independent director in several listed companies.	Mr. A. R. Narayanaswamy is a commerce graduate from Sydenham College, Mumbai and a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He joined the Board in July 2007. He is inter alia an Independent Director in Hindustan Zinc Limited and Sterlite Power Grid Ventures Limited, and has extensive financial, strategic, and boardroom experience. He is also a management consultant with over four decades of consulting experience across accounting, financial management and information technology.
Justification for choosing for appointment as Independent Director	NA	Based on the skills, experience, knowledge and report of his performance evaluation	Based on the skills, experience, knowledge and report of his performance evaluation
Terms and Conditions of Appointment/Re-appointment	To be re-appointed as director liable to retire by rotation	As mentioned in respective resolutions and explanatory statements	
Remuneration sought to be paid / last drawn (including sitting fees, if any)	As mentioned in the Corporate Governance Report		
Directorships in other Companies	1. Twin Star Technologies Limited 2. Twin Star Display Technologies Limited 3. Sterlite Power Transmission Limited 4. Sterlite Power Grid Ventures Technologies Limited 5. Sterlite Global Ventures (Mauritius) Limited, Mauritius	1. Welspun India Limited 2. Anuh Pharma Limited 3. Welspun Global Brands Limited 4. Sterlite Grid 2 Limited 5. Sterlite Grid 1 Limited 6. Hindustan Zinc Limited 7. Sterlite Power Transmission Limited 8. Lakecity Ventures Private Limited 9. SREI Mutual Fund Trust Private Limited 10. PTC Cables Private Limited	1. Hindustan Zinc Limited 2. Sterlite Grid 1 Limited 3. Bharat Aluminium Co Limited 4. Sterlite Power Grid Ventures Ltd 5. Sterlite Grid 2 Limited 6. IBIS Systems and Solutions Pvt. Ltd 7. Vizag General Cargo Berth Pvt. Ltd

Memberships/Chairmanships of Audit and Stakeholders' Relationship Committees across all other Public companies Member- Audit Committee and Stakeholders' Relationship Committee.	Sterlite Power Transmission Limited: Member- Audit Committee and Stakeholders' Relationship Committee.	1. Sterlite Power Transmission Limited: Chairman - Audit Committee. 2. Welspun India Limited: Chairman - Audit Committee and Member - Stakeholders Relationship Share Transfer and Investor Grievance Committee. 3. Welspun Global Brands Limited: Member - Audit Committee. 4. Anuh Pharma Limited: Member - Audit Committee. 5. Sterlite Grid 1 Limited: Chairman - Audit Committee. 6. Sterlite Grid 2 Limited: Chairman - Audit Committee. 7. Hindustan Zinc Limited: Member - Audit Committee.	1. Hindustan Zinc Limited: Chairman - Audit Committee: Chairman - Stakeholders' Relationship Committee. 2. Sterlite Grid 1 Limited: Member - Audit Committee. 3. Bharat Aluminium Co Limited: Member - Audit Committee. 4. Vizag General Cargo Berth Limited: Member - Audit Committee. 5. Sterlite Power Grid Ventures Limited: Chairman - Audit Committee. 6. Sterlite Grid 2 Limited: Member - Audit Committee.
Shareholding in the Company	11,29,750	2300	1000
Relationship with other Directors/KMPs	Brother of Mr. Anil Agarwal Father of Mr. Pratik Agarwal	None	None
No. of Board Meetings attended during the year	5	6	6

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013 ('the Act')]

ITEM 4

Members of the Company, in the Annual General Meeting ('AGM') held on August 19, 2014 had approved appointment of Mr. Arun Todarwal as Independent Director of the Company for a period of 5 years from April 1, 2014 to March 31, 2019. Upon the recommendation of the Nomination and Remuneration Committee, Board of Directors through its circular resolution dated March 28, 2019, approved the re-appointment of Mr. Arun Todarwal as an Independent Director of the Company for a second term of two years with effect from April 1, 2019 to March 31, 2021 based on the skills, experience, knowledge and report of his performance evaluation. The re-appointment is subject to the approval of the shareholders at this AGM by way of a Special Resolution. He will not be liable to retire by rotation.

Mr. Todarwal has given consent to act as a Director on the Board of the Company. The Company has received a notice in writing from a member proposing candidature of Mr. Todarwal for the office of Independent Director, to be appointed as such under Section 149 of the Act. The Company has received a declaration from Mr. Todarwal to the effect that he meets the criteria of independence as provided in the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

A brief profile of Mr. Todarwal is given as a part of the Annual Report.

In the opinion of the Board, Mr. Todarwal fulfills the conditions specified in the Act and the Rules thereunder and the Listing Regulations and is independent of the Management. Copy of draft letter setting out the terms and conditions of his appointment, shall be available for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day and is also displayed on the website of the Company, www.sterlitetech.com.

The Board recommends the appointment of Mr. Todarwal as an Independent Director as set out in Item No. 4 for the approval of the shareholders.

Except for Mr. Arun Todarwal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the proposed Resolution.

ITEM 5

Members of the Company, in the AGM held on August 19, 2014 had approved appointment of Mr. A. R. Narayanaswamy as Independent Director of the Company for a period of 5 years from April 1, 2014 to March 31, 2019. Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors through its circular resolution dated March 28, 2019, approved the re-appointment of Mr. A. R. Narayanaswamy as an Independent Director of the Company for a second term of two years with effect from April 1, 2019 to March 31, 2021 based on the skills, experience, knowledge and report of his performance evaluation. The re-appointment is subject to the approval of the shareholders at this AGM by way of a Special Resolution. He will not be liable to retire by rotation.

Mr. Narayanaswamy has given consent to act as a Director on the Board of the Company. The Company has received a notice in writing from a member proposing candidature of Mr. Narayanaswamy for the office of Independent Director, to be appointed as such under Section 149 of the Act. The Company has received a declaration from Mr. Narayanaswamy to the effect that he meets the criteria of independence as provided in the Act and the Listing Regulations and that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

A brief profile of Mr. Narayanaswamy is given as a part of the Annual Report.

In the opinion of the Board, Mr. A. R. Narayanaswamy fulfills the conditions specified in the Act and the Rules thereunder and the Listing Regulations and is independent of the Management. Copy of draft letter setting out the terms and conditions of his appointment, shall be available for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day and is also displayed on the website of the Company, www.sterlitetech.com.

The Board recommends the appointment of Mr. Narayanaswamy as an Independent Director as set out in Item No. 5 for the approval of the shareholders.

Except for Mr. Narayanaswamy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the proposed Resolution.

ITEM 6

Upon the recommendation of the Audit Committee, the Board of Directors has approved appointment of Mr. Kiran Naik, Cost Accountant as Cost Auditor to conduct of the audit of cost records of the Company for the Financial Year 2019-20, at a remuneration of ₹ 1,10,000 plus taxes as applicable and reimbursement of actual travel and out of pocket expenses.

In terms of Section 148 of the Act read with Rule 14 of Companies (Audit and Auditors) Rules 2014, as amended from time to time, remuneration payable to the Cost Auditor is required to be approved by the shareholders. Accordingly, approval of the members is sought for the resolution at Item No. 6 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives have any concern or interest, financially or otherwise, in the proposed resolution.

ITEM 7

In view of the future outlook of the Company, its growth targets and prospects, the Company requires additional funding. While it is expected that the internal generation of funds would partially finance the need for capital and debt raising would be another source of funds, it is thought prudent for the Company to have enabling approvals to raise a part of the funding requirements for the said purposes through the issue of appropriate securities as mentioned below.

In order to enable the Company to raise funds through a public issue and/or private offering and/or rights offering and/or qualified institutions placement or any combination thereof , the approval of the Members is hereby sought for the proposal to create, offer, issue and allot equity shares of the Company of face value of ₹ 2/- each ("Equity Shares") and equity linked instruments, including convertible preference shares, non-convertible debt instruments along with warrants, fully convertible debentures, partly convertible debentures, and/or any other securities convertible into equity shares (including warrants or otherwise), global depository receipts ("GDRs"), American depository receipts ("ADRs"), foreign currency convertible bonds ("FCCBs") (all of which are hereinafter collectively referred to as "Securities") or any combination of Securities, in one or more tranches, to eligible investors, whether they be holders of Equity Shares or not, as may be decided by the Board in its discretion and permitted under applicable laws, for an aggregate consideration of up to ₹ **1000 Crores (Rupees One Thousand Crores only)** or equivalent thereof, in one or more foreign currency(ies).

As the issue may result in the issue of Equity Shares of the Company to investor(s) who may or may not be members of the Company, consent of the members is being sought pursuant to Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and any other law for the time being in force and being applicable.

In case of issuance of securities through a qualified institutions placement ("QIP"), in terms of Chapter VI of the SEBI ICDR Regulations, an issue of securities pursuant to a QIP shall be made at a price not less than the average of the weekly high and low of the closing prices of the equity shares of the same class quoted on the stock exchange during the two weeks preceding the "relevant date." The relevant date for the purpose of pricing of the securities shall be the date of the meeting in which the Board decides to open the QIP and at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI Regulations. In case of a QIP, the special resolution has a validity period of 365 days within which allotments under the authority of said resolution should be completed.

In case of issuance of ADRs or GDRs, the relevant date for the purpose of pricing the Securities shall be the date of the meeting in which the Board decides to open the issue of such Securities in accordance with the Depository Receipts Scheme, 2014 and other applicable pricing provisions issued by the Ministry of Finance.

In case of issuance of FCCBs, the relevant date for the purpose of pricing the Securities shall be the date of the meeting in which the Board decides to open the issue of such Securities in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and other applicable pricing provisions issued by the Ministry of Finance.

The issue / allotment / conversion would be subject to the receipt by the Company of regulatory approvals, if any. The conversion of Securities held by foreign investors, into Equity Shares would be subject to the applicable foreign investment cap.

The proceeds of the proposed issue of Equity Shares shall be utilised for any of the aforementioned purposes to the extent permitted by law.

The Resolution at Item No. 7 is an enabling resolution conferring authority on the Board to do all acts and deeds, which may be required to issue/offer Securities of appropriate nature at appropriate time, including the size, structure, price and timing of the issue(s) /offer(s) at the appropriate time(s). The detailed terms and conditions for the domestic/international offering will be determined in consultation with the lead managers, merchant bankers, global business coordinators, guarantors, consultants, advisors, underwriters and/or such other intermediaries as may be appointed for the issue/offer. Wherever necessary and applicable, the pricing of the issue/offer will be finalised in accordance with applicable guidelines in force. As and when the Board takes a decision on matters on which it has the discretion, necessary disclosures will be made to the relevant stock exchanges on which the Equity Shares are listed under the provisions of the SEBI Listing Regulations.

The Promoter of the Company and any person related to the Promoter will not subscribe to the issue, if made under Chapter VI of SEBI ICDR Regulations.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives are concerned or interested, financially or otherwise, in the proposed resolution except to the extent of his/her holding of Equity Shares and to the extent of his/her subscribing to Equity Shares if and when issued as also to the extent of subscription by a financial institution/ company/body corporate in which the KMPs, Director or his/her relative may be directly or indirectly interested.

The Directors accordingly recommend this special resolution at Item No. 7 of the accompanying Notice for the approval of the Members of the Company.

By order of the Board of Directors of
Sterlite Technologies Limited

Date: April 23, 2019
Place: Pune

Amit Deshpande
Company Secretary &
Corporate General Counsel

GENERAL INSTRUCTIONS FOR E-VOTING

i. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management & Administration) Rules, 2014, as substituted vide Companies (Management & Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is pleased to offer the option of exercising their votes electronically through electronic voting system ('e-voting') to all the members of the Company. The Business mentioned in this Notice may be transacted through e-voting. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). For this purpose, the Company has engaged the services of Karvy Fintech Private Limited ('Karvy') as the Authorised Agency (Service provider) to provide e-voting facilities. The manner of carrying out e-voting are provided herein below.

ii. The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM.

iii. The members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

iv. The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date being Tuesday, July 16, 2019. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. July 16, 2019 only shall be entitled to avail the facility of remote e-voting /voting at the meeting through Ballot Papers.

v. A person who is not a member as on the cut-off date should treat this notice for information purpose only.

vi. The Board of Directors has appointed Mr. B Narasimhan, Proprietor BN & Associates, Practicing Company Secretary (Membership No. FCS 1303 and Certificate of Practice No. 10440), as a Scrutinizer to scrutinize the process of remote e-voting and voting at the venue of the meeting in a fair and transparent manner.

vii. The Scrutinizer shall immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than two (2) days after the conclusion of the AGM to the Chairman of the Company. The Chairman, or any other person authorised by the Chairman, shall declare the result of the voting forthwith.

viii. The resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite numbers of votes in favour of the Resolutions.

Please read the instructions given below before exercising the vote. The Notice of the Annual General Meeting and this Communication are also available on the website of the Company at www.sterlitetech.com and that of the Service provider "Karvy" at www.evoting.karvy.com.

The instructions for the Shareholders for remote e-voting are as under:

1. The remote e-Voting will be kept open from Saturday, July 20, 2019 from 10.00 a.m. (IST) till Monday, July 22, 2019 up to 5.00 p.m. (IST). The e-voting module shall be disabled for voting thereafter.

2. Launch internet browser by typing the URL: https://evoting.karvy.com

3. Enter the login credentials (i.e. User ID and password mentioned above). Your Folio No. /DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

User – ID	For Members holding shares in Demat Form:- a) For NSDL : 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- Event no. followed by Folio Number registered with the Company
Password	Your Unique password is printed in this communication/ or sent via email along with the Notice sent in electronic form.
Captcha	Enter the Verification code i.e. please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

4. Please contact our toll free No. 1-800-34-54-001 for any further clarifications.

5. After entering these details appropriately, click on "LOGIN".

6. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, E-mail ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is **strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**

7. You need to login again with the new credentials.

8. On successful login, the system will prompt you to select the E-Voting Event Number for Sterlite Technologies Limited.

9. On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number of shares held, "FOR" and partially "AGAINST" but the total number of shares mentioned both "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date, as mentioned above. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.

10. Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

11. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

12. You may then cast your vote by selecting an appropriate option and click on "Submit".

13. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

14. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at E-mail ID: AGM.sterlite.tech@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_EVENT NO."

15. In case a person has become a member of the Company after dispatch of the AGM Notice but on or before the cut-off date i.e. Tuesday, July 16, 2019 may write to Karvy on the email id einward.ris@karvy.com or to Mr. Rajeev Kumar, Contact No. 040-67161524 at Karvy Fintech Private Limited, (Unit Sterlite Technologies Limited), Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the same, please follow all the steps as from 1 to 7 as mentioned above to cast the vote.

16. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their votes electronically shall not be allowed to vote again at the AGM.

17. In case of Members receiving physical copy of the AGM Notice by Courier [for Members whose email IDs are not registered with the Company/Depository Participant(s)]:

    (i) User ID and initial password is provided in cover slip.

    (ii) Please follow all steps from Sr. No. (1) to (7) as mentioned above, to cast your vote.

18. The Members who are entitled to vote but have not exercised their right to vote through remote e-voting may vote at the AGM through Ballot Papers.

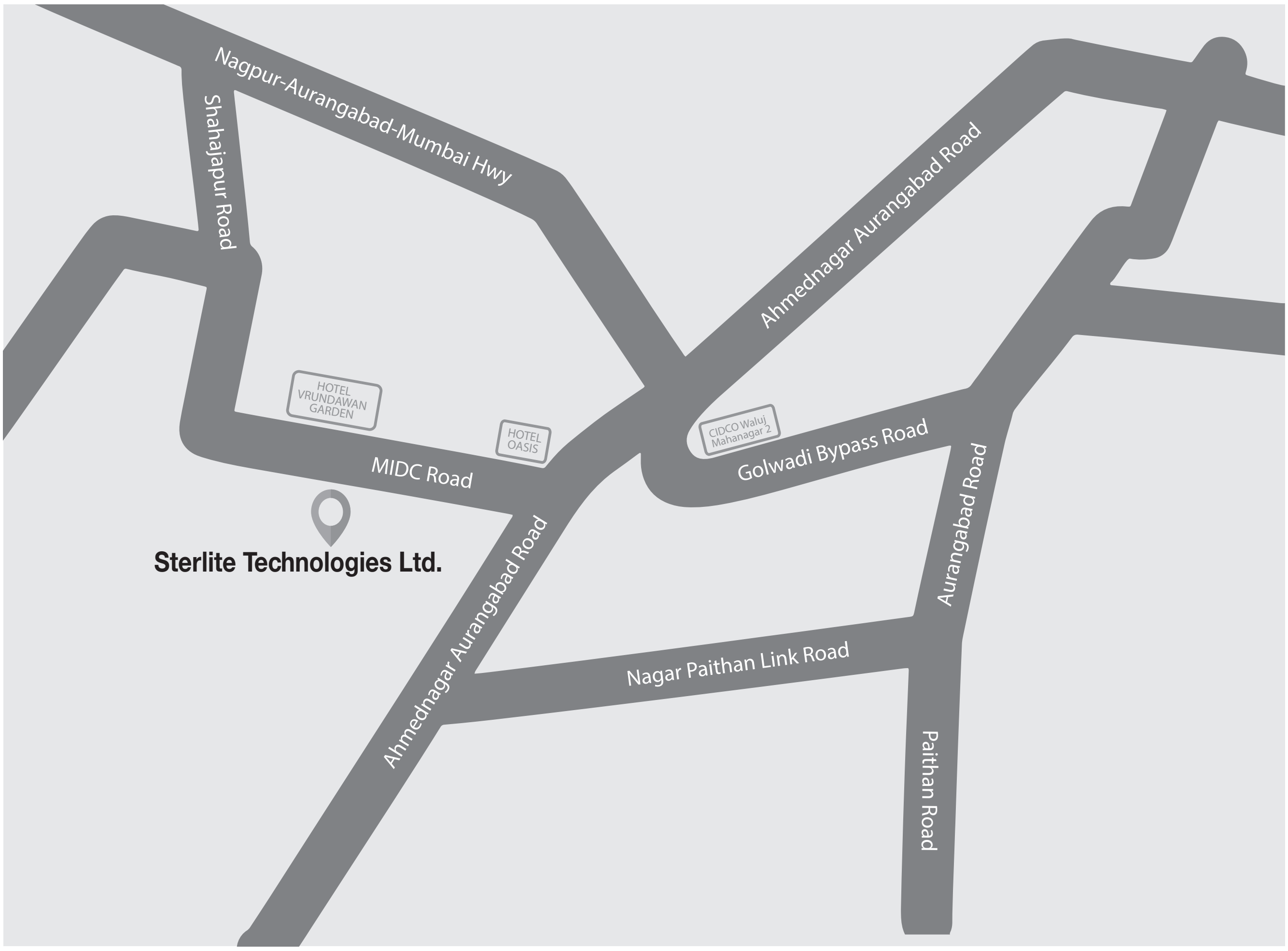
19. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website https://evoting.karvy.com or contact Mr. Rajeev Kumar, Contact No. 040-67161524 at Karvy Fintech Private Limited, Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.

20. The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.sterlitetech.com) and on Karvy's website (https://evoting.karvy.com) after communication of the same to BSE Limited and National Stock Exchange of India Limited.

STERLITE TECHNOLOGIES LIMITED

CIN - L31300MH2000PLC269261
Regd. Office: E 1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra- 431 136, India
Email - secretarial@sterlite.com; Website – www.sterlitetech.com;
Phone: +91 20 30514000; Fax: +91 20 30514113

Route Map



Venue : **Sterlite Technologies Limited**
E1, MIDC Industrial Area, Waluj
Aurangabad – 431 136
Maharashtra, India
Phone no. 0240-2558400

Attendance Slip

STERLITE TECHNOLOGIES LIMITED

CIN - L31300MH2000PLC269261
Regd. Office: E 1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra- 431 136, India
Email - secretarial@sterlite.com; Website – www.sterlitetech.com;
Phone: +91 20 30514000; Fax: +91 20 30514113

Annual General Meeting – July 23, 2019

Registered Folio No./ DP ID No. / Client ID No.

Number of shares held

I certify that I am a Member / Proxy for the member of the Company.

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at the Registered Office of the Company at E 1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra- 431 136, India, on Tuesday, July 23, 2019, at 11.00 a.m. IST.

Name of the Member / Proxy
(in BLOCK letters)

Signature of the Member / Proxy

Note - PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

STERLITE TECHNOLOGIES LIMITED

CIN - L31300MH2000PLC269261
Regd. Office: E 1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra- 431 136, India
Email - secretarial@sterlite.com; Website – www.sterlitetech.com;
Phone: +91 20 30514000; Fax: +91 20 30514113

Name of the member(s)
Registered address:
E-mail ID:
Folio No. /Client ID:
DP ID:

*I/We, being the member(s) of ....shares of the above named Company hereby appoint:

1. Name : ____

   Address: ____

   Email ID: ____

   Signature: ____, or failing him

2. Name : ____

   Address: ____

   Email ID: ____

   Signature: ____, or failing him

3. Name : ____

   Address: ____

   Email ID: ____

   Signature: ____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company, to be held on Tuesday, July 23, 2019, 11.00 a.m. IST at the Registered Office of the Company at E 1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra - 431 136, India and at any adjournment thereof in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Resolution Number	Resolutions	For	Against
1.	a) To receive, consider and adopt the audited standalone financial statements of the Company for the Financial Year ended March 31, 2019 and the reports of the Board of Directors and the Auditors thereon.		
	b) To receive, consider and adopt the audited consolidated financial statements of the Company for the Financial Year ended March 31, 2019 and the Report of the Auditors thereon.		
2.	Declaration of Dividend for the financial year ended March 31, 2019		
3.	Appoint a director in place of Mr. Pravin Agarwal, who retires by rotation and being eligible, offers himself for re-appointment		
4.	To re-appoint Mr. Arun Todarwal as an Independent Director		
5.	To re-appoint Mr. A.R.Narayanaswamy as an Independent Director		
6.	Approve the remuneration of the Cost Auditors		
7.	Raising of the funds through Qualified Institutional Placement (QIP)/ External Commercial Borrowings (ECBs) with rights of conversion into Shares/ Foreign Currency Convertible Bonds (FCCBs)/ American Depository Receipts (ADRs)/ Global Depository Receipts (GDRs) /Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPs/CCPs) etc. pursuant to Section 62 of Companies Act, 2013.		

Signed this ______ day of ___________, 2019

Signature of Shareholder

Signature of Proxy Holder (s)

Affix revenue stamp of not less than ₹ 0.15

Notes:

1. This form of proxy in order to be effective should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.

2. A Proxy need not be a member of the Company.

3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4. This is only optional. Please put ‘X’ in the appropriate column against the resolutions indicated in the Box. If you leave the ‘For’ or ‘Against’ column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

6. In the case of joint-holders, the signature of any one holder will be sufficient, but names of all the joint-holders should be stated.

beyond tomorrow

Sterlite Technologies Limited
Annual Report 2018-19

www.sterlitetech.com

Forward-looking and Cautionary Statement

Certain words and statements in this report concerning Sterlite Technologies Limited (STL) and its prospects, and other statements relating to STL's expected financial position, business strategy, the future development of STL's operations and the general economy in India, are forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of STL, or industry results, to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding STL's present and future business strategies and the environment in which STL will operate in the future. The important factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements include, among others, changes in government policies or regulations of India and, in particular, changes relating to the administration of STL's industry, and changes in general economic, business and credit conditions in India. Additional factors that could cause actual results, performance or achievements to differ materially from such forward-looking statements, many of which are not in STL's control, include, but are not limited to, those risk factors discussed in STL's various filings with the National Stock Exchange, India and the Bombay Stock Exchange, India. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company unless it is required by law.

These filings are available at:
www.nseindia.com and **www.bseindia.com**

In this Report

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Financial Statements

Chairman's Message

Defining the Future of Data Networks

Anil Agarwal
Chairman and Board of Director

Dear Shareholders

It is with great pleasure that I present to you the Annual Report of Sterlite Technologies Limited (STL). I am delighted to see how your Company has rapidly grown to be amongst the global leaders in data networks solutions.

Today, STL is setting the industry's strategic direction for the design and deployment of high-capacity networks. Leading with technology innovation and deep customer engagement, STL understands service providers' networking needs beyond the traditional models. Today, STL works with global citizen networks, Cloud companies, large enterprises and digital/telecom service providers to design and deploy data network solutions for super-fast connectivity and enhanced end-user experience.

As you and I consume data at unprecedented levels, these networks of the future will impact our everyday lives – they will make remote surgery a reality, bring e-education to millions in under-privileged areas, power self-driving cars and drones, enable next-gen entertainment and much more.

Impacting citizens' lives

STL is driving rural digital inclusion by building fibre-based networks in previously unconnected areas of the world. In India, it has partnered with leading telcos and BharatNet to bring high-speed internet and utility based applications to remote areas. It is also pioneering to bring apps, content and services to ride these networks, with STL Garv, a multi-application data centre. In Europe, it has partnered with several Tier-1 telcos to fiberise millions of urban and rural homes in France and the UK, among other regions.

Powering connectivity for tomorrow's Cloud applications

Some of the world's biggest Cloud companies, such as Amazon, Google and Microsoft, are investing in building hyper-scale data centres so that we can have a seamless connectivity experience across super-high bandwidth applications of tomorrow. In this context, STL is building its suite of connectivity solutions for various data-centre needs. In FY19, the Company pioneered in this space, and won contracts with two leading global Cloud companies.

Modernising data networks of large enterprises

The Defence, Railways and Oil and Gas companies are making significant investments to build and modernise their data networks. These networks are both mission critical and extremely large and complex. STL has been partnering with such customers for several years, and in FY19 it partnered with the Indian Navy to design and build their next-gen digital network. This is the first time an integrated end-to-end digital network at such a scale is being built in India. It will enable the Indian Navy to ride new age applications with advanced security solutions while bringing real-time situational awareness and faster decision-making.

Getting telcos 5G-ready

As end users, we demand more and more bandwidth, seamless connectivity, great content and applications, all at competitive pricing. For telcos to offer us this experience, world over, they are investing in 5G, FTTx and other solutions. STL has been partnering with telcos for backhaul and deep fiberisation for a while. In FY19, it also developed capability for converged wired and wireless solutions.

I am extremely excited for STL to play a role in building this future! I look forward to our continued partnership as we go beyond tomorrow.

THE DATA NETWORKS INDUSTRY IS IN ITS INFANCY. DATA EXPLOSION HAS ONLY JUST BEGUN, AND THE INDUSTRY WILL SEE EXPONENTIAL GROWTH. WITH NEW MARKETS AND CUSTOMER SEGMENTS, STL HAS A TREMENDOUS GLOBAL OPPORTUNITY AND A CLEAR STRATEGY ROADMAP TO ACHIEVE IT.

Letter to the Shareholders

Massive Network-creation Opportunity Ahead

Dear Shareholders

I am delighted to let you know that FY19 was a transformative year for your company. STL ended the year with a significant ~60% growth in revenues, and an order book exceeding ₹ 10,000 crores – both at an all-time high. FY19 was another year of solid growth, with our five-year CAGR for revenues at a healthy 33%.

This year we also embarked on our journey to become an end-to-end global data network solutions provider. This is built on our portfolio of connectivity solution offerings, expanded market presence and new customer segments.

FY19 was a transformative year

FY19 was a year of growth covering all dimensions, as we saw wins across customers, solutions and technology innovation. Some key highlights of the year were:

35 new customers, including two of the top five global cloud companies, a tier one telco for network creation for one of the world's largest 4G rollouts, and the Indian Navy for modernising their digital communications network

6 new solutions, including FTTx Mantra® (fully integrated, ready to implement FTTx solution) and TruRibbon® (high-density optical fibre cable for high-capacity networks)

271 patents in all, and filing of highest-ever patents in a single year

1 acquisition of an optical fibre cable manufacturer in Italy, for new customers and product portfolios in Europe

50 million fkm fibre capacity with new industry 4.0 plant on track

33 million fkm doubled optical fibre cable capacity on track for June 2020

This steady growth over the last several quarters is a result of our strategic focus on offering data-network solutions to an expanding global market of telcos, cloud companies, citizen networks and large enterprises.

The future is even more exciting with a massive network-creation opportunity

Today, over 55% of the 7.6 billion people in the world use the Internet. As they use more and more devices, content and apps, the global annual IP traffic is growing exponentially, and is expected to reach 7 Zettabyte (one Zettabyte is a trillion Gigabytes) by next year – a seven-fold increase from 2015!

This always-connected world requires hyper-scale networks, placing STL at an inflection point of a huge data-network creation opportunity. Several mega trends are impacting this opportunity – hyper-scale networks, new customer segments and the need for a solutions-based approach.

Hyper-scale networks

The networks of tomorrow are unlike the traditional ones. These hyper-scale networks are denser, deeply fiberised and software-defined with computing at the edge. They are dense, with more access points such as small cells; more fiberised for tower and end-point communication; programmable with decoupled hardware and software; and at the edge, or closer to the point of consumption.

With our unique silicon to software capability, STL is extremely well positioned to design, build, manage and help monetise such hyper-scale networks!

New customer segments

These new-age networks are being created by several new customer segments, expanding the opportunity for STL even further.

- **Telcos** are becoming digital service providers. They are investing for 5G and FTTx, large-scale roll outs, and full suite of network solutions and management software. Verizon, Vodafone Qatar and others in South Korea have begun commercial rollouts of 5G in select areas. Moreover, telcos are evolving towards open-sourced and software-defined programmable networks , faster time to market and enhanced customer experience with deep content partnerships

- **Cloud companies** such as Google, Amazon and Facebook are building extremely large data centres across the world, and are deeply investing in inter- and intra-data centre hyper-speed connectivity

IN FY19 WE EVOLVED OUR OFFERINGS AND EXPANDED OUR MARKET COVERAGE. WE BECAME A LEADING SOLUTIONS PROVIDER FOR END-TO-END DATA-NETWORK SOLUTIONS.

Dr. Anand Agarwal
Group CEO and Whole-time Director

- **Large enterprises** such as the defence and railways are modernising and upgrading their networks. These are mission-critical networks, and need deep expertise in design and deployment
- **Citizen networks** such as Digital India initiatives are investing in urban and rural broadband delivered by a fibre backbone, with services at the end point

Solutions-based approach

Another dimension to this changing ecosystem is that customers are moving towards an application-centric approach over a product and services approach. These are solutions for varied needs such as mobility, last-mile access, long-haul connectivity, network modernisation and data centres.

The solutions-based approach has a unique advantage. It integrates design across all layers – physical, network and software layers – to address scale, latency, agility, uptime, cost and experience, while speeding delivery. With expertise across all these layers, STL is uniquely positioned to provide end-to-end data network solutions.

Together, these global megatrends present an enormous opportunity that can be sized to a total addressable market of $75 BN by FY23 for STL.

Our strategy and capability pillars power us for this future

We are geared with a full capability suite to meet this significant opportunity. Our four-pronged strategy ensures ongoing innovation to design an expanding portfolio of network solutions and to enter newer markets and customer segments.

Four-pronged strategy

- **Innovate –** With new value-added portfolio of next-gen solution offerings
- **Scale –** To new customer segments and geographies
- **Integrate –** Across our silicon to software capability to offer integrated solutions
- **Expand –** In to new portfolios and applications

Capability pillars

Our key capability pillars of deep technology innovation, customer engagement, digital transformation and best-in-class talent and culture ensure world-class execution excellence.

An enormous opportunity, ambitious plans and a refreshed identity take us beyond tomorrow

As we stand at the inflection point of this journey of 'beyond tomorrow', we see ourselves generating immense value for our customers, partners, employees and shareholders. We start this journey with a new and refreshed STL.

STL reflects a simplified, transformed company that is leading the future of networks. The fresh look symbolises our transformation as a new age data network solution provider in the hyper-connected world.

Thank you, shareholders, for your ongoing support. Together we will lead in this journey towards beyond tomorrow. Together we will continue to transform everyday living by delivering smarter networks.

Customer Partnerships

On cloud 9 with hyper-scale data networks

STL partners with two of the largest global Cloud companies for massive-connectivity solutions

As the data ecosystem expands across the value chain, Cloud and OTT players are heavily investing in network creation for massive connectivity. With expertise in design and deployment of high-capacity networks, STL is now a technology partner to two trillion-dollar global Cloud companies, for their hyper-scale data networks.

Through deep customer engagement and a consultative co-creation model, STL has developed bespoke solutions for Cloud companies. TruRibbon®, our ultra-high fibre count rollable ribbon cable, is designed for massive data centre connectivity, while our cutting-edge cable assemblies cater to the emerging free space fibre optics (FSOC) technology deployment.

These solutions not only address a new customer segment, but also represent an approach of engaging and partnering with our customers.

At the helm of the 4G revolution in India

STL partners with one of India's fastest-growing telcos to create a 4G (and beyond) ecosystem

Disruption happens when someone re-imagines the future. India's transition from a voice-dominant to a data-dominant market is an example of just that.

With its expertise in fibre optics and converged optical networks, STL has been at the forefront of creating a deep fiberised infrastructure in India. As a 'disruption partner' to one of the most innovative telecom providers in the country, STL has enabled

- One of the fastest subscriber acquisitions in the world
- World's first Exabyte (Billion GB) network

With our eyes set beyond tomorrow, we continue to deepen this partnership with hyper-scale network rollouts across multiple states in India.

Leveraging the power of 'One STL'

STL becomes a valuable digital partner for top telcos with its all-stack capabilities

We are at the centre of our customers' digital journey. With our silicon-to-software capability and our end-to-end solutions, we bring the 'power of one' to each of our customers.

FY19 saw us developing long-term partnerships with top telecom companies in India, Europe, the Middle East, Africa and South East Asia, basis our all-stack capabilities.

We started our engagement with the largest communication provider in France with application-led optical solutions and expanded the engagement to software solutions. While with the top telco in India, we deepened our partnership across the value chain across connectivity solutions and network services.

With changing industry dynamics, a 'power of one' play with end-to-end solutions, is the way forward for STL.

One team, One goal, One Varun

STL flags off Project Varun with Indian Navy, BSNL, DoT and 42 partners

STL's Project Varun for the Navy Communication Network (NCN) aims at building digital supremacy for the Indian Navy through a next-gen communications network. The project includes the creation of an independent high-capacity end-to-end communications network, linking multiple Indian naval sites and India-administered islands, along with setting up of a highly secure data centre ecosystem.

This intrinsically complex project requires multi-stakeholder collaboration across diverse entities from technology partners to deployment specialists, government bodies and defence.

Launched by the Chief of Naval Staff, STL took the lead to get all the stakeholders together at this mega event held in Gurugram in January 2019. With a theme of ONE TEAM, ONE GOAL, ONE VARUN, this was the beginning of a uniquely collaborative journey.

Technology Innovation

The grey matter behind future networks

STL's cutting-edge innovation centres are the think tanks for next-gen networks

Abraham Lincoln said, "The best way to predict the future is to create it." STL is creating the future of data networks through its ground-breaking research, development and innovation across optical technologies, structured cabling solutions, and converged and programmable networks. Our three cutting-edge research units are a confluence of some of the best minds in the world, innovating and prototyping future technologies.

- Our marquee Centre for Smarter Networks (CSN) at Gurugram is a state-of-the-art experience centre, for the best in hyper-scale, converged and programmable networks
- Our Centre of Excellence (CoE) in Aurangabad is the epicentre for advanced research in photonics and glass science
- Our Specialty Products Experience lab (SPEL) in Silvassa is a test-bed for disruptive structured cabling solutions

Riding high on patented innovation

STL files the highest number of patents in a single year in FY19

Deep technology innovation is at the core of everything STL does. Be it the 5G imperative, connectivity solutions or programmable networks, we are continuously innovating to develop next-gen data networks. STL has the highest number of granted patents for optical fibre in India, and is among the top filers in optical fibre technologies. It also has the largest patent portfolio for network architecture when compared to global optical fibre and optical fibre cable players. Some highlights:

- **#1** - Largest optical fibre and optical fibre cable patent portfolio count in India
- **90%** - Y-o-Y patent filing growth in FY19
- **103%** - 5-year CAGR for optical fibre cable patent portfolio growth
- **271** - Patent portfolio count at the end of FY19

One highlighted patented product of FY19 is TruRibbon® a unique technology that enables backward compatibility with deployed networks, extreme compactness and ease of field use.

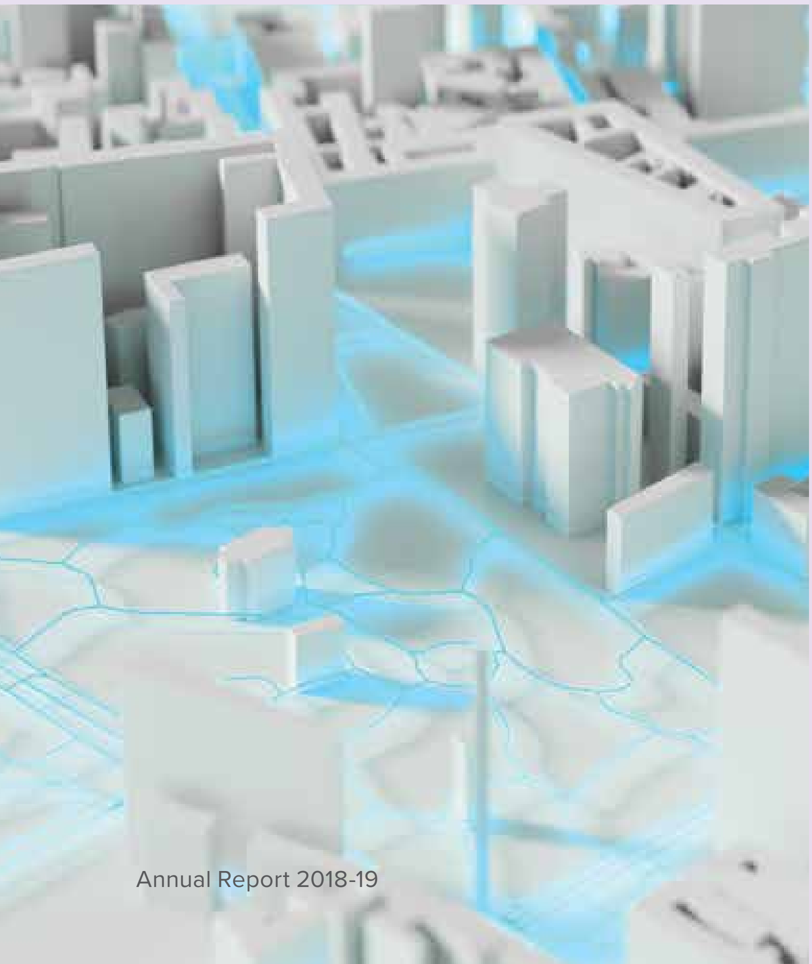
FTTx Mantra® – taking fibre places

This industry-first FTTx solution converges the best of software-defined networks, optical communication products and hyper-scale rollout practices

STL's FTTx Mantra®—**M**assive **A**gile **N**etwork **T**ransformation—is an access connectivity solution. It enables massive fiberisation, catering to millions of end points in the most agile, scalable and cost-effective manner. Designed for a world where providers need to solve for scale, latency, agility, uptime and cost while ensuring the best customer experience, the solution combines the best of STL's technology capability:

- Programmable network design
- Connectivity solutions - Bend insensitive fibre technology, high-fibre count micro module cables, and pre-connectorised FTTx kits
- Hyper-scale network roll out - STL's unique Lead360™ approach

FTTx Mantra® was successfully launched at India Mobile Congress and at FTTH Conference in Amsterdam in FY19, and is since taking fibre places.



Programmable **O**pen **D**isaggregated **S**olutions

STL PODS – programming the future

STL is all set to offer solutions for software-defined networks, with its signature PODS portfolio

In FY19, STL built significant capability in programmable networks and intelligence. It acquired key talent and entered partnerships with RedHat, ORAN, Telecom Infra Project and others to develop open and agile solutions that help accelerate telcos' digital reinvention.

STL is developing PODS—Programmable, Open, Disaggregated Solutions—to power next-gen networks. By enabling programmability at the core of the network, PODS bring more flexibility, cost efficiency and service excellence to data networks. STL is pioneering these programmable solutions with fibre and radio technology PODS.

Transforming Lives

STL Academy – skilling at the speed of light

STL Academy is 'skilling it' like never before. 1,500 youth certified, 15,000 in the works

With the largest youth population in the world, India's focus on human capital is immense. STL Academy is an endeavour to create an ecosystem of highly skilled professionals in deploying and maintaining complex optical-fibre networks. In the last 10 months alone, STL Academy has trained and certified 1,500 people, and is all set to blaze a trail of 15,000 skilled, certified and employable professionals in the coming year.

These programmes are held all over the country, the most prominent one this year being the training of over 400 Army personnel in remote-border and sub-zero areas of Ladakh to maintain the Network for Spectrum Fibre network in Jammu & Kashmir.

This initiative is not only impacting the lives of these young people by generating skilled employment, but also creating a connected India.

Get set green – our commitment to sustainability

STL is home to India's first zero waste to landfill optical fibre cable plant, diverting almost 100% waste from landfill

STL is committed to sustainable manufacturing excellence and reducing environmental impact. With this passion and a relentless focus on process improvement and innovation, we have achieved size zero! STL's optical fibre cable manufacturing plant in Silvassa is the first such facility in India to win Intertek's Zero Waste to landfill certification.

This world-class manufacturing facility diverts almost 100% of waste away from landfill and reiterates the trust that our customers and partners have on us.

Earlier, STL's glass and optical fibre manufacturing plant at Aurangabad and its specialty cable manufacturing plant at Dadra, were granted near zero waste to landfill Intertek certifications for diverting more than 95% waste away from landfill.

STL GARV – making rural India digital-ready

Rural-connectivity platform launched in three villages across Uttar Pradesh, Maharashtra and Telangana, bringing innovation where it matters

GARV, meaning 'pride', is an initiative by STL to take the power of digital to millions of rural citizens, bridging the rural-urban digital divide in the country. This solution leverages BharatNet's rural broadband connectivity and the power of future technologies such as Artificial Intelligence and Internet of Things (IoT) to provide a multitude of community-centred services. Garv's key services include: Digital meetings, speech-to-email conversion, e-education and agri services.

This state-of-the-art system is enabling truly smart villages. Imagine a village where the sarpanch controls the village operations through an app, holds digital meetings and acts on data from IoT-driven civic infrastructure. Or a young girl who has access to e-coaching, where earlier she would have had to walk 10 km to reach a coaching centre. This world is now a reality with STL GARV!

All women team at Silvassa – breaking gender stereotypes

STL's colouring team is an all-women team. These 103 women are creating history by bridging the gender gap in manufacturing

At STL, diversity and inclusion is not just a policy pillar, but a way of working. At STL, a team of highly competent women employees, is now operating the entire colouring division at our state-of-the-art cable manufacturing facility in Silvassa. From operating the cutting-edge colouring line, to running stringent quality controls, our 'all-women team' does it all.

Historically, manufacturing jobs in India have been dominated by men. These 103 women are creating history at STL and in the world of Indian manufacturing industry, bridging the gender gap in what was an all-male bastion, is a feat worthy of celebration! This 100% women team is indeed setting global standards in gender diversity in manufacturing.

Executive Leadership

Our leadership team is world-class. It brings immense global functional and management expertise and steers from the front.

Dr. Anand Agarwal

Group CEO and Whole-time Director

At a time when technological advancement is transforming everyday living, STL is fortunate to have a passionate technocrat like Anand at the helm. Since he became CEO in 2003, Anand has led the organisation's transformation from a leading provider of optical fibre to making digital inclusion possible through designing and deploying high-capacity converged fibre and wireless networks. Anand is a BTech from IIT Kanpur and an MS and PhD in Materials Engineering from the Rensselaer Polytechnic Institute, USA. He joined STL in 1995.

Anupam Jindal

Group Chief Finance Officer

A chartered accountant from ICAI, Anupam began his professional journey with the Vedanta Group in 1998. After working in the aluminium foil and copper-cable businesses, he went on to head the finance division of the group's mining operations in Australia. Moving back to India, he joined STL in 2006 as CFO, and has since been instrumental in driving the Company's sustained and robust financial performance.

Ankit Agarwal

CEO, Connectivity Solutions Business

Ankit has been instrumental in leading the Company's entry into new markets and customer segments, such as Cloud companies. Under his leadership, STL has established its presence in 100 countries. As a young leader, Ankit is also a champion of internal culture change, from driving a flat organisation to leading community efforts. He joined STL in 2007 after completing his Bachelor's from the University of Southern California and MBA from London Business School.

KS Rao

CEO, Network Services Business

KS joined STL in 1993 to set up the Company's optical-fibre cable plant in Aurangabad and soon became instrumental in growing its fibre, cables and services business in India, China and Brazil. Today, he leads the Company's Network Services business, by building robust network infrastructures for Defence, BharatNet, Smart Cities and Telcos. KS is also actively involved in community initiatives in Marathwada, such as water conservation and women empowerment.

Anshoo Gaur

CEO, Network Software Business

Anshoo is the force behind STL's network software and programmable networks business. Under his leadership, STL has launched a disruptive portfolio of software products and set up world-class capability for open and software-defined networks. Anshoo holds a postgraduate degree in Industrial and Systems Engineering from the University of Arizona, Tucson.

Dr. Badri Gomatam
Group Chief Technology Officer

A photonics expert, Badri leads core research in optical communications products and network solutions. With a view on emerging network technologies, Badri guides the Company's technology vision. Under his leadership, the Company today has over 270 patents to its credit. Badri has an MS and Ph.D. from the University of Massachusetts, Amherst, and a BS from the Birla Institute of Technology. He joined STL in 2011.

Anjali Byce
Chief Human Resources Officer

As STL grows exponentially, Anjali and her team are building an agile and culturally strong organisation by running strong programmes on talent, culture, values and diversity. Anjali has extensive experience in organisational development, learning and development and industrial relations. She has also worked at SKF, Tata Motors, Bajaj Allianz Life Insurance, Cummins and Thermax. She has a Master's in Human Resources from the Symbiosis Centre for Management and HRD, and in Applied Psychology from the University of Delhi.

Nischal Gupta
Chief Transformation Officer

STL is one of few companies to have the role of Chief Transformation Officer. Nischal leads this very critical role to drive internal process excellence, technology integration, programme management and data science. He joined STL in 2017 from Flipkart, and has vast international experience at Fujitsu, IBM, Lenovo and HP in USA, Europe, China and Slovakia. He has a BE in Industrial Engineering, MS in IT Services from SUNY, Buffalo and an MBA from IIM, Bangalore.

Gaurav Basra
Chief Strategy Officer

With significant international consulting experience, Gaurav works closely with the leadership team to develop long-term strategies for growth. He has 20 years' experience in corporate strategy development and transformation, innovation management and investment portfolio management at Booz & Company, Lucent Technologies, Nokia, Siemens and Mobily. He has an engineering degree from the University of Pune and an MBA from Imperial College, London.

Manish Sinha
Chief Marketing Officer

Manish has donned many hats – from consultant at McKinsey & Co. and Infosys and leading operations at WNS and Capital One to being a 'start-up guy' at Quikr Homes and Common Floor. He is an engineering graduate from IIT Delhi and MBA from IIM Calcutta. Manish leads customer engagement at a time when the Company is growing exponentially. An enthusiastic culture champion, he joined STL in 2017, and soon became the face of change internally.

Akanksha Sharma
Head CSR and Sustainability

STL is committed to the community, and Akanksha spearheads the company's vision for CSR and Sustainability. She drives a portfolio of community projects aligned to the UN Sustainable Development Goals. Akanksha brings in experience from organisations such as UNICEF, Jubilant Food Works and Vedanta. Post her MBA, she has done an advanced program from Harvard Business School.

Board of Directors

Anil Agarwal
Non-executive Chairman

Anil Agarwal is the Executive Chairman of Vedanta Resources Plc and the Chairman Emeritus of Vedanta Limited. He founded the Sterlite Group in 1979 and grew it into a pioneering conglomerate. Among India's leading entrepreneurs, he has made positive contributions to community life and generated jobs by building and fostering successful businesses across multiple industries. He has over 40 years of experience across various industries.

Pravin Agarwal
Vice Chairman and Whole-time Director

Pravin Agarwal is the Vice Chairman and Whole-time Director of STL, and the Non-Executive Chairman of Sterlite Power Transmission. He has been closely involved with the Group's operations in India since inception and has been instrumental in the growth of its telecom and power businesses. He has rich experience in general management and administration that spans almost three decades.

Dr. Anand Agarwal
Group CEO and Whole-time Director

Dr. Anand Agarwal has been the CEO of STL since 2003. Under his leadership, the Company has grown exponentially, from a leading provider of optical fibre to making digital inclusion possible through designing and deploying high-capacity converged fibre and wireless networks. He serves as a Whole-time Director on the Board of STL and its joint ventures in Brazil and China. He is also Director at AvanStrate Inc., an LCD substrate glass-manufacturing company headquartered in Japan. Anand is a BTech from IIT Kanpur and an MS and PhD in materials engineering from the Rensselaer Polytechnic Institute, USA. He joined STL in 1995.

A.R. Narayanaswamy
Non-executive and Independent Director

A. R. Narayanaswamy is a commerce graduate from Sydenham College, Mumbai and a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He joined the Board of STL in 2007. He is inter alia an Independent Director at Hindustan Zinc Limited and Sterlite Power Grid Ventures Limited. He brings extensive financial, strategic, and Boardroom experience to STL. He is also a management consultant with over four decades of consulting experience across accounting, financial management and information technology.

STL has an illustrious Board, with significant global experience across cutting-edge technology, telecom, finance and large-scale entrepreneurship.

Sandip Das
Non-executive and Independent Director

Sandip Das is one of Asia's most respected telecommunications professionals and an acclaimed Chief Executive. He is on the Advisory Board of a UK-based investment company, reputation-management firm Astrum and Exhibitions India, besides consulting for international banks and investment companies. He was formerly the MD & CEO of Reliance Jio, Group CEO and Executive Director of Maxis Communications Berhad, Malaysia and CEO and Board Director of Hutchison Essar Telecom, India. He holds BE and MBA degrees, and is an alumnus of Advanced Management Program from Harvard Business School, Boston.

Arun Todarwal
Non-executive and Independent Director

Arun Todarwal is a partner at M/s Arun Todarwal & Co LLP, a Mumbai-based firm of Chartered Accountants, and a member of the Institute of Chartered Accountants of India (ICAI). He has rich and varied experience in management consulting, finance and audit, spanning over four decades. He is an Independent Director in several listed companies.

Kumud Srinivasan
Non-executive and Independent Director

Kumud Srinivasan is Vice President and Director of Non-Volatile Memory Fab Manufacturing and Automation Systems at Intel Corporation. She has spent 30+ years at Intel USA, leading multiple global functions, prominent being digital transformation and industrial automation. She is a seasoned leader, skilled at mobilising resources across organisation levels. Her management experience includes leading large teams in matrix, geo-dispersed organisations in the US, China and India. From 2012 to 2016, she served as President for Intel India. Kumud joined the STL Board in 2018, and her experience in key industry domains such as Internet of Things, R&D, manufacturing and semi-conductors is invaluable to the Company and its global customers.

Pratik Agarwal
Non-executive Director

Pratik Agarwal is a Non-executive Director of the Company and is the CEO of Sterlite Power Transmission Limited. A Wharton graduate and an MBA from London Business School, he has over 10 years of experience in building core infrastructure assets in India. He founded the Group's infrastructure business in 2009 and built it up to levels where it now has significant investments in ports, power transmission and broadband networks. He is also the Chairman of the Electric Power Transmission Association and Transmission Task Force of FICCI.

Advisory Board

STL's Advisory Board has eminent industry leaders from the global telecom and data networking industry.

Sandip Das

Sandip Das is one of Asia's most respected telecommunications professionals and an acclaimed Chief Executive. He is on the Advisory Board of a UK-based investment company, reputation-management firm Astrum and Exhibitions India, besides consulting for international banks and investment companies. He was formerly the MD & CEO of Reliance Jio, Group CEO and Executive Director of Maxis Communications Berhad, Malaysia and CEO and Board Director of Hutchison Essar Telecom (later Vodafone), India. He holds BE (Mechanical Engineering) and MBA degrees, and is an alumnus of Advanced Management Program (AMP 188) from Harvard Business School, Boston. For four years, he appeared on the Global List of Most Powerful People in Telecom published by Global Telecoms magazine. He has been awarded the Lifetime Achievement Award for his contribution to Indian Telecom by Voice & Data magazine, Cyber Media Publications.

BS Shantharaju

BS Shantharaju has over 15 years of experience as CEO across four large enterprises. He retired as CEO of Indus Towers, the world's largest telecom tower company valued at around $15 billion. He was also the CEO of New Delhi International Airports, where he led the organisation's transformation post privatisation. As Managing Director of Gujarat Gas Company (then subsidiary of British Gas), he led it to a major growth trajectory. He has also been the Chief Financial Officer and Country Managing Director of SmithKline Pharmaceuticals Limited for Bangladesh. He is a qualified accountant, has an MBA degree from the International Management Institute, New Delhi and is an alumnus of London Business School. He was among the final shortlisted candidates for the CNBC Asia Business Leader Award in 2005. He has also been a speaker at various leadership forums, including at Harvard Business School.

being STLer

Solving complex problems and having fun while doing so

I enjoy applying my experience in fibre optics, connectivity and distributed sensing to realise new opportunities at STL.

Seldon **Benjamin**
Partnering with customers for application engineering

My journey with STL started with driving multiple bids to leading execution for smart cities and MPLS projects.

Shikha **Jain**
Pioneering in building smarter cities in India

I work from Mexico for Inside Sales Support. My co-workers are professional and respectful. I look forward to growing with STL.

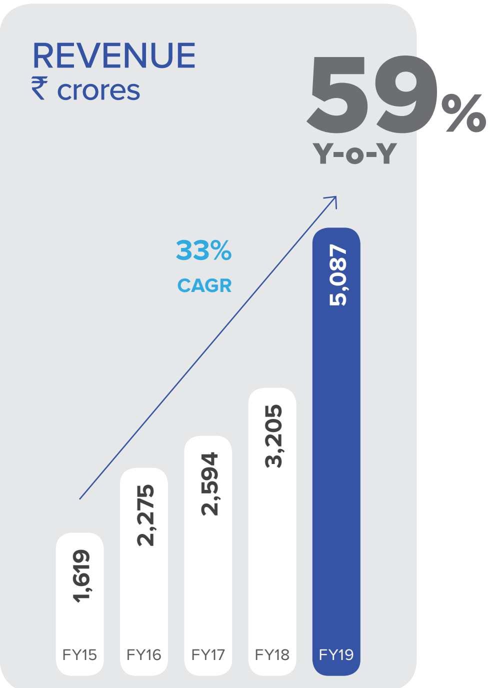
Maria **Mora**
Developing business for North America

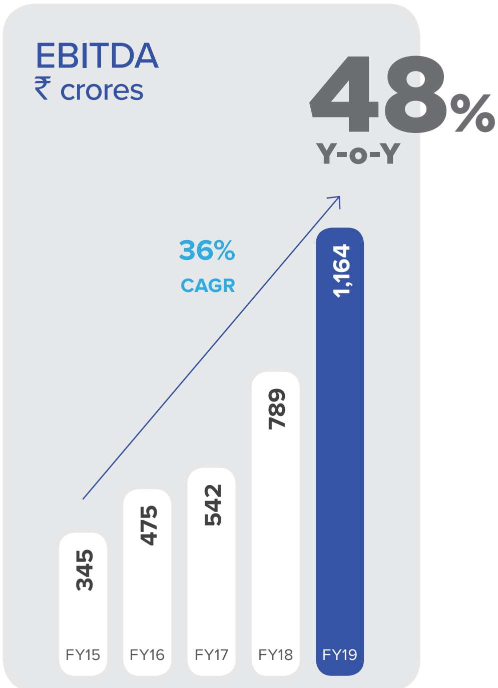
I joined STL after graduating from IIT Kanpur. I am working on several high-value projects and learning a lot. I am proud to be a STLer!

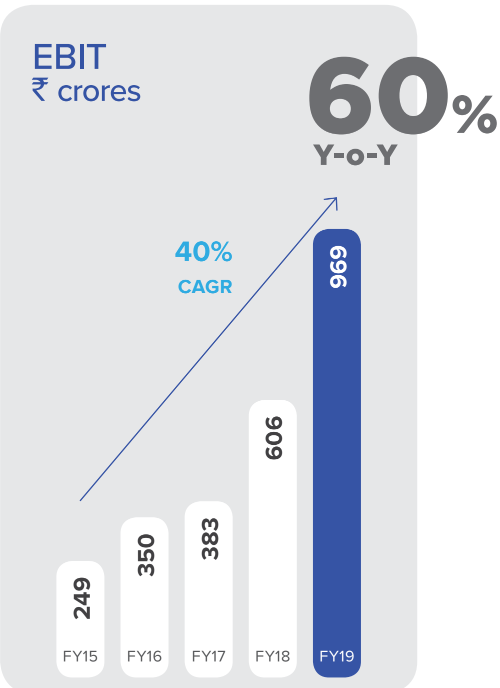
Shivi **Dixit**
Designing optical fibre networks

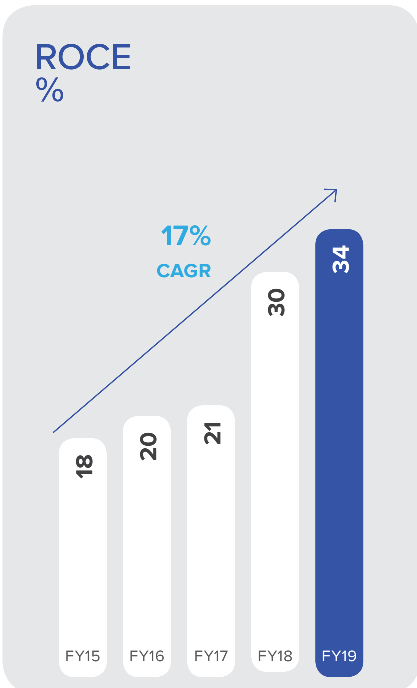
Financial Highlights

Delivering shareholder value consistently









STL saw a robust ~60% growth in FY19, as revenues grew from ₹ 3,205 crores in FY18 to an all-time high of ₹ 5,087 crores.

	Unit	FY15*	FY16	FY17	FY18	FY19
Consolidated numbers						
Gross Revenues	₹ crores	3,270	2,275	2,594	3,205	**5,087**
Growth %	-	22%	NA	14%	24%	**59%**
EBITDA	₹ crores	512	475	542	789	**1,164**
EBIT	₹ crores	327	350	383	606	**969**
PBDT	₹ crores	185	357	419	685	**1,058**
PAT (After minority interest)	₹ crores	(3)	154	201	334	**563**
Capital Employed	₹ crores	7,270	1,791	1,844	1,993	**2,845**
Diluted EPS		(0.07)	3.82	4.98	8.25	**13.83**
Net Revenues	$ Million	473.9	329.7	375.9	464.5	**737.3**
EBITDA	$ Million	74.2	68.9	78.6	114.3	**168.7**
EBIT	$ Million	47.4	50.7	55.5	87.9	**140.4**
PBDT	$ Million	26.8	51.7	60.8	99.2	**153.4**
PAT (After minority interest)	$ Million	(0.4)	22.3	29.2	48.5	**81.6**
Ratios						
Return on capital employed	%	4.5%	19.5%	20.8%	30.4%	**34.1%**
EBITDA Margin	%	15.7%	20.9%	20.9%	24.6%	**22.9%**
EBIT Margin	%	10.0%	15.4%	14.8%	18.9%	**19.0%**
PBDT Margin	%	5.7%	15.7%	16.2%	21.4%	**20.8%**
PAT Margin	%	(0.1%)	6.8%	7.8%	10.4%	**11.1%**
Effective Tax Rate	%	NA	29.0%	15.4%	26.5%	**32.2%**

Conversion Rate 1 US $ = 69

* Consolidated financials for 2015 are for Telecom + Power business

(STL and Sterlite Power business demerged effective 1st April 2015)

STL delivers superlative growth in FY19

Driven by focused strategy of offering data network solutions

Mega trends across the world are creating opportunities for network creation. An exponential increase in data usage has presented the need for new age hyper-scale networks for new customer segments such as Cloud companies, citizen networks and large enterprises like the defence. At the same time, traditional telecommunication companies are transforming their networks to be programmable and software defined.

These trends present a significant opportunity to STL to offer solutions for varied customer applications, such as mobility, last-mile access, long-haul connectivity, network modernisation and data centres.

Given this ecosystem, Sterlite Technologies Limited (STL) delivered superlative growth in FY19, with 68% boost in PAT, 59% rise in revenue, 48% increase in EBITDA (y-o-y) and 34% uptick in ROCE. The Company also demonstrated an excellent start to FY20 with an all-time high order book of ₹ 10,516 crores, 2.1 times STL's annual revenue.

India, Europe and Latin America (LATAM) accounted for more than 90% of the Company's revenues, while China clocked less than 5%.

STL's growth is a result of its focussed strategy of offering data network solutions to new customer segments in expanding markets. At the same time, its focus on the key pillars of technology innovation, deep customer engagement, ongoing digital transformation and best-in-class talent and culture ensured world-class execution excellence.

Below is a deep dive into STL's financial performance in FY19.

(₹ in crores)

Particulars	2018-19	2017-18	Growth Y-o-Y
Gross revenue	5,087	3,205	59%
EBITDA	1,164	789	48%
Net profit after minority interest	563	334	68%
EBITDA margin (%)	23	25	
EPS (Diluted) (₹)	13.83	8.25	68%
Net profit margin (%)	11	11	
ROCE (%)	34	30	

Gross revenues

STL recorded its highest-ever revenues of ₹ 5,087 crores during the year under review, registering a 59% year-on-year improvement. The revenue growth was secular, driven by all business units. Export revenue for the year was at ₹ 1,806 crores. India, Europe and Latin America (LATAM) now account for more than 90% of STL's revenues.

Profitability

FY19 was a transformative year for STL. The Company acquired new customers and launched end-to-end solutions, resulting in robust growth of 48% in earnings before interest, tax, depreciation and amortisation (EBITDA) from ₹ 789 crores in FY18 to ₹ 1,164 crores in FY19. In terms of percentage, this translated into an EBITDA margin of 23% in FY19, which is 170 basis points lower than FY18, primarily on account of business mix and shift from manufacturing to delivery of end-to-end network solutions.

Continuous efforts to generate cash from core business, along with optimal utilisation of low-cost funding helped the Company's interest cost for FY19 to remain at ₹ 105 crores, which improved the interest coverage ratio by 340 basis points from 7.6 to 11, indicating robust financial health and governance.

The depreciation for FY19 was ₹ 195 crores vis-à-vis ₹ 182 crores in the previous year. The increase in depreciation was primarily due to capitalisation of expansion projects executed during the year.

Tax expenses for the year were ₹ 278 crores, implying tax rate of 32% compared to ₹ 133 crores in FY18 with a tax rate of 26%. Effective tax rate was higher on account of change in profit mix.

The net profit after tax after minority interest for the year thus was ₹ 563 crores, as against ₹ 334 crores for last year showing growth of 68% year-on-year.

Dividend

In continuation of the progressive dividend policy, the Board of Directors has recommended final dividend of 175%, ₹ 3.5 per equity share subject to the approval of shareholders.

Balance sheet

(in times)

Particulars	2018-19	2017-18
Net debt (₹ in crores)	1,733	884
Debt equity ratio	1.0	0.7
Debtors turnover ratio	3.7	3.7
Inventory turnover ratio	8.6	9.5
Interest coverage ratio	11	7.6
Current ratio	1.2	1.6
Return on net worth (%)	32	29

Gross block and capital work-in-progress

STL has been expanding its facilities to 50 million fkm for optical fibre and 33 million fkm for cable to cater to the increasing demand in the telecom sector. Consequently, gross block increased from ₹ 2,392 crores as on March 31, 2018 to ₹ 3,809 crores as on March 31, 2019.

The capital work-in-progress stood at ₹ 419 crores at the end of FY19 vis-à-vis ₹ 357 crores at the end of FY18.

Borrowings, cash and bank balance

The gross debt of STL increased from ₹ 1,093 crores as on March 31, 2018 to ₹ 1,918 crores as on March 31, 2019. The total cash and bank balance coupled with current investments at the end of FY19 was ₹ 334 crores as against ₹ 293 crores at the end of FY18.

The net debt increased from ₹ 884 crores as on March 31, 2018 to ₹ 1,733 crores as on March 31, 2019, mainly due to acquisition of Metallurgica Bresciana S.p.A and capacity expansion projects. Hence, STL's Net Debt-Equity ratio stood at 0.96 as at the end of FY19 compared to 0.70 year ago.

Working capital

(₹ in crores)

Particulars	March 2019	March 2018
Inventories	590	338
Trade receivables	1,357	871
Current investment	100	155
Cash and bank balances	234	138
Others, including loans and advances	1,653	447
(A) Total current assets	3,934	1,949
(B) Total current liabilities	3,185	1,264
Working capital (A-B)	749	685

STL's current ratio stood at 1.2 times in FY19 as against 1.6 at the end of FY18.

Return on capital employed and capital structure

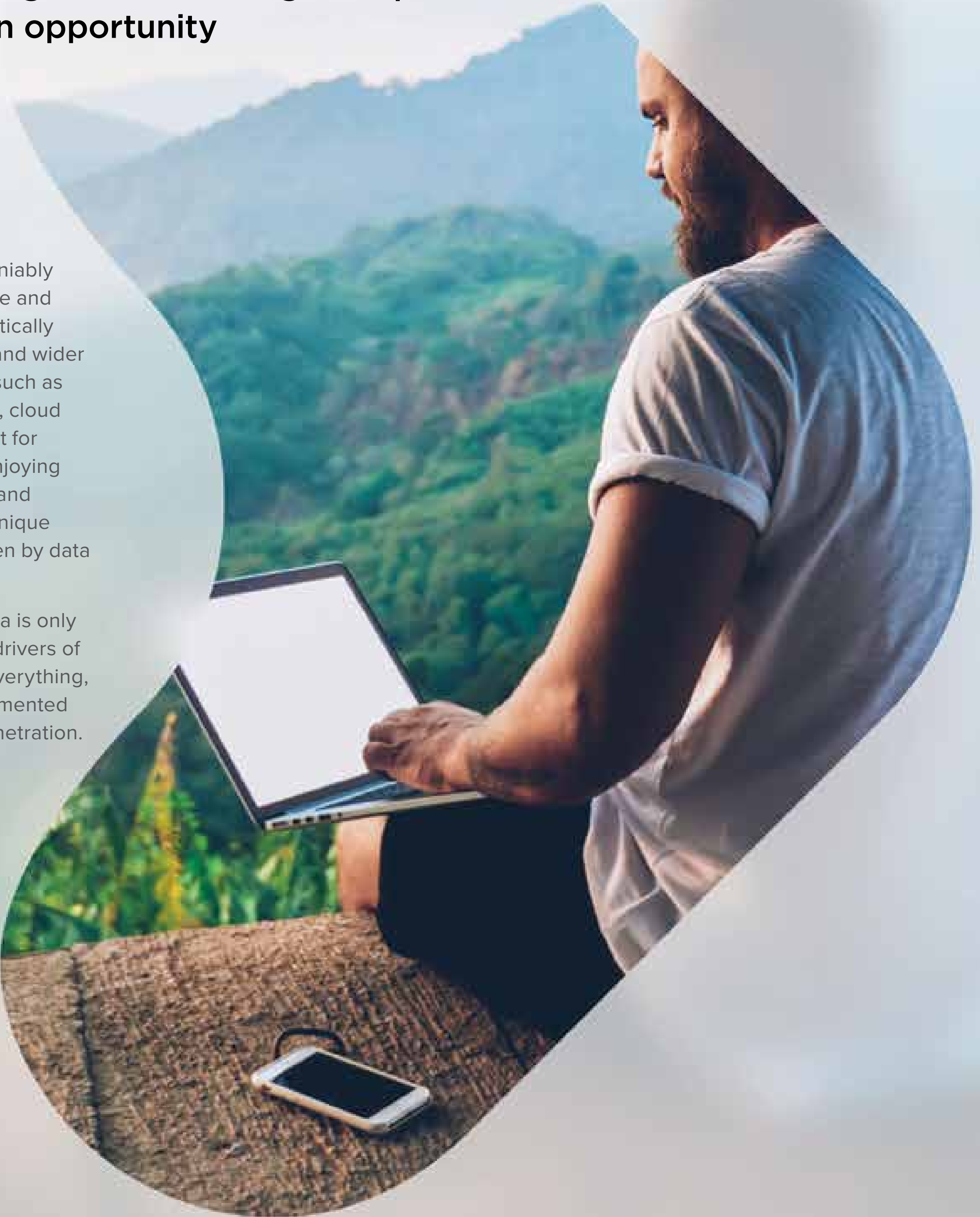
The ROCE in current financial year improved to 34% as against 30% a year ago and the Company employed ₹ 3,548 crores in business as on March 31, 2019 vis-à-vis ₹ 2,141 crores as on March 31, 2018.

STL's total equity as on March 31, 2019 stood at ₹ 1,815 crores compared to ₹ 1,257 crores as on March 31, 2018.

Management Discussion and Analysis

Unprecedented Opportunity for Network Creation

Exponential data growth is leading to unprecedented network-creation opportunity



The world we live in is undeniably digital. The way we work, live and interact has changed dramatically because of the confluence and wider availability of technologies such as mobile, artificial intelligence, cloud and analytics. This is evident for both consumers, who are enjoying the benefits of a digital life, and enterprises that now have unique business opportunities driven by data and insights.

This unabated growth in data is only set to multiply with the key drivers of growth being: Connected everything, Virtual Reality (VR) and Augmented Reality (AR) and Internet penetration.

Connected everything

Today, more than 5 billion users interact with data every day. By 2025, that number will be 6 billion or 75% of the world's population, according to IDC. By 2025, each connected person will have at least one data interaction every 18 seconds. Many of these interactions will be driven by the billions of Internet of Things (IoT) devices, which are expected to create over 90 ZB of data by 2025.

Virtual Reality (VR) and Augmented Reality (AR)

With new hardware and growing content, VR and AR are expected to continue to grow. Cisco VNI predicts that traffic associated with VR and AR applications will grow 12-fold over the next five years.

Internet penetration

Today, almost 4.4 billion people are active internet users (~58% of the global population). This number is set to multiply, with populous countries such as India deeply investing in connecting the rural unconnected.

A Day in the Life of Data

The exponential growth of data is undisputed. But when the numbers are looked at in the context of a day, they are hard to believe.

Today in a day

500 million
tweets are sent

294 billion
emails are sent

4 PB
of data is created on Facebook

4 TB
of data is created from each connected car

65 billion
messages are sent on WhatsApp

5 billion
searches are made

Source: Visual Capitalist

Data explosion leading to unprecedented network creation by new customer segments

Exponential growth in data is resulting in massive network creation by a multitude of service providers: Traditional telcos; newer players such as cloud companies; large enterprises such as the Defence, Railways; and citizen networks.

Management Discussion and Analysis contd.

Telecom Operators

A massive growth in subscribers and connected devices has led to operators both upgrading their existing networks, as well as creating infrastructure for ultra-low latency and high throughput for 5G, Fibre to the X (FTTx) and other applications. Telecom operators are also rapidly shifting towards becoming digital service providers through integrated revenue platforms, network analytics, IoT and virtualisation. These shifts need partners such as Sterlite Technologies Limited (STL) for data network creation.

5G Networks

Other than having a whopping 100x the bandwidth of 4G, 5G will also have extremely low latency (1 ms – 50x lower than 4G), enabling mission critical applications such as VR healthcare. They will also be able to handle enormous scale (up to 100x the human population), giving rise to sensor networks such as precision agriculture (Goldman Sachs).

While full 5G mobile services are not expected until 2020, pre-standard 5G commercial deployments have already begun.

- Verizon launched the world's first commercial 5G smartphone service in areas of Chicago and Minneapolis
- SK Telecom, KT and LG Uplus—top South Korean telecos launched national 5G networks
- Vodafone Qatar launched a 5G home internet service, Vodafone GigaHome

FTTx Networks

Operators are accelerating their efforts to bring fibre close to the end user to deliver gigabit speeds.

- Orange aims for 20 million FTTH households in high-and medium-density areas of France by 2021
- Telefónica has set a record by passing 20 million homes with FTTH (70% of all households in Spain)
- Reliance Jio has plans to roll out a broadband service optical fibre network to 50 million homes across 1,100 Indian cities

Cloud Companies

Cloud companies such as Facebook, Google and Amazon are investing heavily in network creation in the form of hyper-scale data centres and sub-sea cable networks.

- Amazon Web Services (AWS) opened data centres in Sweden in 2018, its first in the Nordics
- Google is building its own sub-sea cable from the US to France (the first private transatlantic cable built by a non-telecom company)
- Facebook has data centres in the US, Sweden and Ireland, and a Danish hub is scheduled to open in 2020, followed by one in Singapore in 2022

Hyper-scale data centres will grow from 338 at the end of 2016 to 628 by 2021, representing 53% of all installed data-centre servers and 55% of total traffic within all data centres, according to Cisco.

Large Enterprises

Significant network building and modernisation is being undertaken by defence forces, globally.

- In India, the Navy, Army, Air Force and Border Security Forces are building secure digital networks. Last year, the Government of India nearly doubled its budget to ₹ 24,664 crores (~$3.5 billion) for the Network for Spectrum project, which entails rolling out an advanced communications network for defence services
- The US Army plans to spend $3 billion on network modernisation, which includes army command, control and communications networks

Citizen Networks

Globally, governments are investing in rural broadband and smart cities to enable high-speed connectivity to all. These require substantial investment in data networks.

- The American Broadband Initiative aims to bring faster, reliable internet access to tens of millions of US residents who don't yet have it
- In the UK, rural businesses and communities are set to benefit from improved broadband access as part of a £45 million boost by the government. The new funding for the Rural Broadband Infrastructure Scheme adds to the £30 million investment announced in 2017, increasing the funding to £75 million

DATA-NETWORKS INDUSTRY – STILL IN INFANCY

IT TOOK ~140 YEARS FOR 90% OF THE GLOBAL POPULATION TO GAIN ACCESS TO ELECTRICITY AND THE DEMAND FOR ELECTRICITY IS FURTHER EXPECTED TO INCREASE 57% BY 2050. IN COMPARISON, THE DATA-NETWORKS INDUSTRY IS ONLY 40 YEARS OLD. WITH THE EMERGENCE OF DATA-HUNGRY APPLICATIONS, THE GROWTH IS EXPECTED TO CONTINUE FOR SEVERAL YEARS IN FUTURE.

The hyper-scale networks of future will be different from legacy ones

The networks needed to support these burgeoning data requirements will be fundamentally different from legacy networks. The hyper-scale networks of tomorrow will be denser, deeply fiberised and software-defined with computing at the edge.

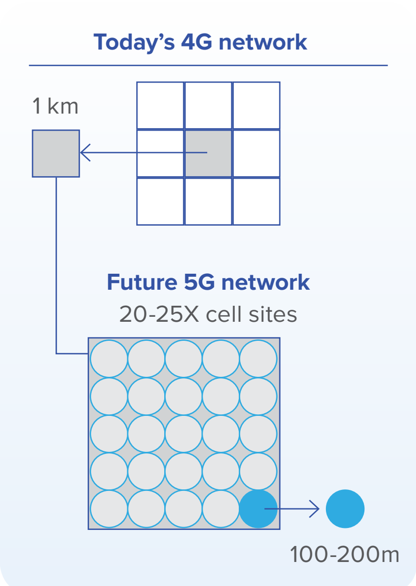
Characteristics of hyperscale new age networks

- **Denser Networks**: Multiplied access-layer end points
- **Deep Fiberisation**: Fibre-intensive networks to support latency and capacity
- **Vendor neutral and disaggregated**: Programmable and intelligent networks
- **Compute and storage at the edge**: Data centres at the edge

These hyper-scale networks are fundamentally different from current networks

Network Densification

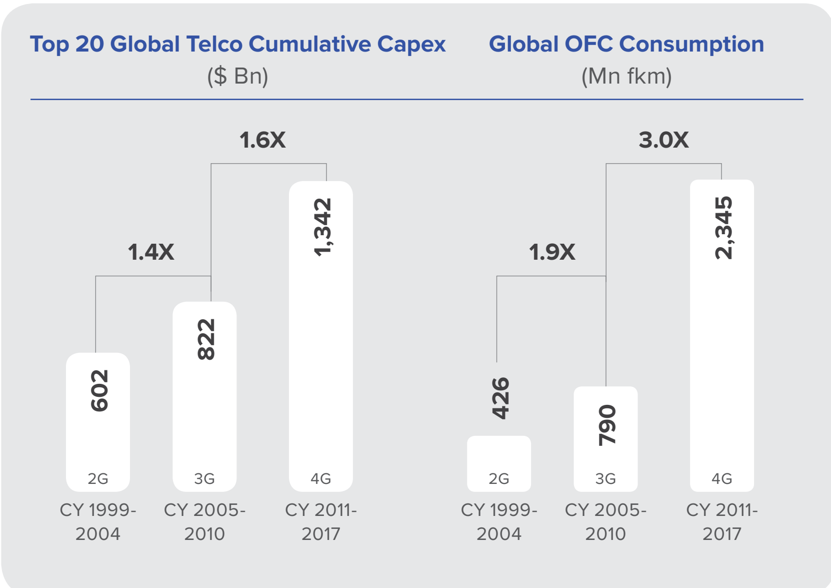
5G networks will generate an unprecedented amount of data. To serve this with ultra-low latency, operators will need to add more capacity to their networks; and this capacity will be closer to the users. Network densification with more access points, such as more cell sites and small cells, will be key to successful 5G implementation. For each 1 km coverage of 4G with a single tower, 5G networks will require up to 25x cell sites.



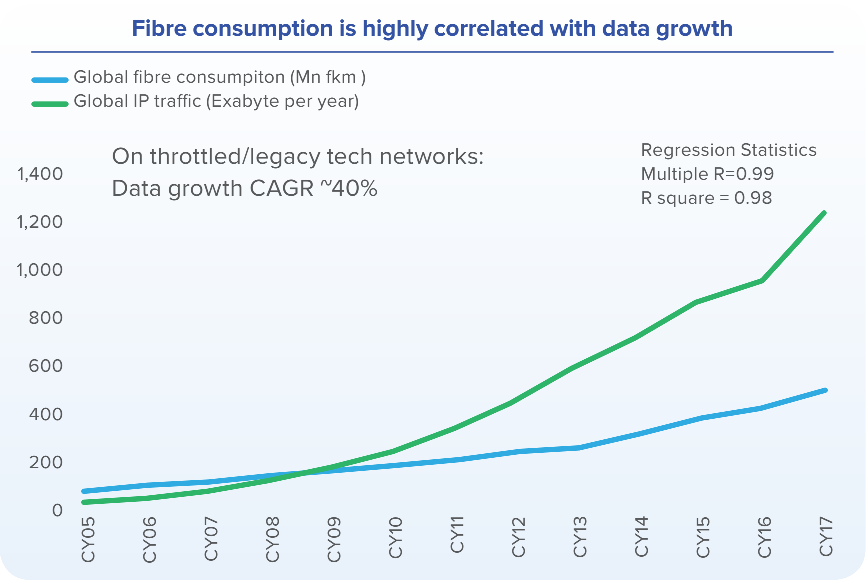
Network Fiberisation

As demand for 4G and then 5G grows, networks will become denser and deeper, making fiberisation imperative. The fact that 5G networks will have to support data from emerging applications like video on demand, IoT and smart cities makes backhaul a concern. With 5G, microwave-based backhaul will become less relevant and there will be need for more fibre.

Trends confirm a link between technology evolution and fibre consumption. A study by EY and CII suggests that during the transition from 3G to 4G the capital expenditure for top 20 telcos grew 1.6x and the fibre cable consumption grew 3x.



Fibre consumption is also highly correlated with data growth. As global IP traffic reaches 4.8 ZB per year by 2022 (Source: Cisco VNI), fibre consumption is expected to reach 3x its levels.



Software-defined Networks (SDN)

The new network architecture will embrace a software-centric approach, and these networks will promote more virtualisation and versatility. They will support an unprecedented level of vendor neutrality, allowing telcos to combine superior functions from multiple vendors. SDN marks the end of hardware reign in the networking industry. It holds the key to future 5G networks, as it reduces the complexity of static networks, automates network functions and reduces the total cost of ownership for networks by eliminating hardware proprietorship, allowing multiple vendors.

Edge Computing

With IoT becoming our new reality, end users of data will shift from users to machines. Millions of IoT-connected devices will require real-time processing of data closer to where the data is generated – at the edge. Self-driving cars and drones will evolve into mini data centres, and will source real-time information such as traffic updates and weather conditions at mission-critical low latency. Software-defined functions will occur in virtualised environments at or near the edge of networks. With 5G Edge, next-gen data centres will not be central hyper-scale data centres, but small units at the base of the antennas.

STL is uniquely placed to leverage this massive opportunity: The future is exciting!

STL is uniquely placed to address this massive opportunity presented by new customer segments and their needs for hyper-scale networks. It has full capability to address the end-to-end needs of networks across the physical, network and software layers.

Physical Layer

- This layer is the backbone of data networks and brings scale through physical connectivity and wireless access. Some solutions that STL has in this area include:
- **Bend Insensitive Optical Fibre:** Designed to reduce bend losses by up to 12x, these add 10-12 years to network lifetime. They deliver better performance at higher wavelengths and cater to dense deployment in the same power budget
- **Ultra-high Fibre Count and Micro-module Cables:** Enable easy identification, stripping and cleaving to deliver cable solutions for hyper-scale networks, with 30% faster installation and 5x more storage
- **TruRibbon® for Data Centres:** Built for high-capacity networks, this solution enables optimisation for first-time splicing, bringing tremendous time and cost savings, while enabling massive connectivity
- **Compact Kits:** Plug-and-play solutions that can reach high-rises and standalone houses, with amazing speed and simple on-field deployment

Network Layer

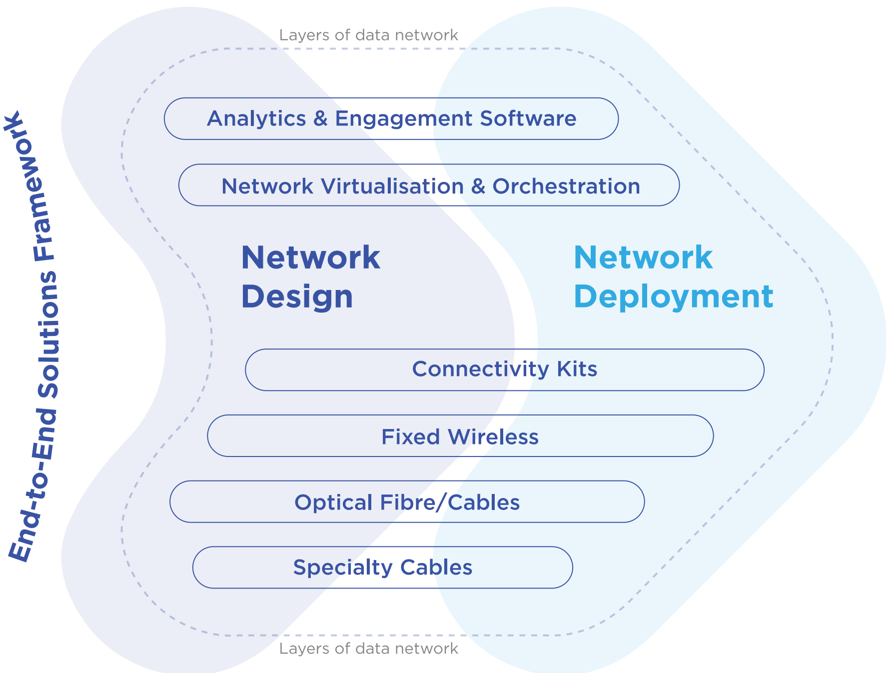
The layer determines the quality of the network through overall design architecture. Our expertise here is:

- **Algorithmic Network Design:** Creating optimal networks, suited to the most granular requirements of providers. Our flattened network architecture takes access to the edge and delivers near zero latency
- **Innovative Approach to Hyper-scale Deployment:** Delivering fast, cost-optimised and high-quality fibre rollouts

Software Layer

This layer brings agility into the network through software solutions. Our solutions include:

- **Network Virtualisation and Orchestration:** With centralised control plane, virtualised network functions and small hardware footprint, the access network delivers superior control, high agility and cost effectiveness
- **Intelligent Software Solutions:** Leveraging the power of analytics and big data to unearth powerful consumer insights, these solutions can change the way companies do business



End-to-end Data-network Solutions

With expertise over all the layers of the network, we are now providing end-to-end data network solutions to our growing customer base. We bring together best-in-class connectivity solutions, and design and build the network for next-gen OSS/BSS and open-sourced virtualised access. This end-to-end data network solutions capability makes us unique in the world.

Some solutions that we offer are in the areas of mobility, last-mile access, long-haul connectivity, network modernisation and data centres.

Mobility

Mobile backhaul

Private networks

TELCOS

Access

FTTx

Fixed wireless

TELCOS

Core Connectivity

Rural connectivity

Long distance connectivity

CITIZEN NETWORKS, TELCOS

Network Modernisation

Enterprise communication network

Network connectivity

Enterprise IoT

LARGE ENTERPRISES

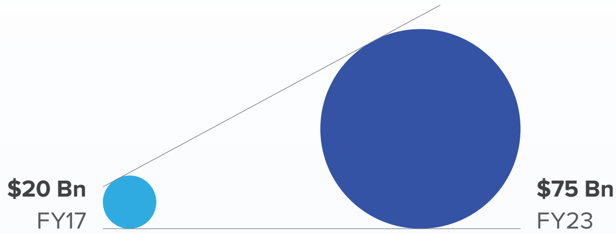
Data Centre

Data centre connectivity

CLOUD AND CONTENT PROVIDERS

By expanding our offerings to solutions and engaging with customers in a more consultative manner, our addressable market is expected to reach $75 billion by FY23!

Journey towards expanding addressable market



Innovate	Scale	Integrate	Expand
With new value-added portfolio of next-gen solution offerings	To new customer segments and geographies	Across our silicon to software capability, to offer integrated solutions	In to new portfolios and applications

Partnering with Customers

- **Partnering to disrupt Indian telecom:** As a partner to a Tier-1 telco that is making India one of the largest digital markets in the world, STL is helping build its network, including connectivity solutions, fibre deployment and network software
- **Helping a Tier-1 European telco create 'one network':** With the convergence of fibre, 5G and Wi-Fi, STL has been designing innovative products for its application needs for over 10 years, and currently serves ~50% of their fibre cable requirements
- **Enabling France to achieve 100% high-speed broadband coverage:** STL is providing network solutions to enable fast installation and significant cost reduction to solve for:
  - **High duct rental cost:** 20% slimmer cable to reduce duct rental cost
  - **Increased loss when transitioning to future applications:** Products with lower attenuation at higher wavelengths
  - **Increased signal loss due to fibre bends:** Bend insensitive fibre
  - **High installation and labour cost:** First-time right installation and deskilling of field termination
- **Bringing digital supremacy to Indian defence forces:** Through network augmentation and modernisation, and physical security through fibre-sensing solutions
  - For the Indian Army, STL has created the world's largest intrusion-proof smarter network infrastructure in Jammu & Kashmir, covering ~10,000 kms through the Network for Spectrum project
  - STL is helping the Indian Navy with the creation of an independent high-capacity end-to-end communications network, linking multiple Indian naval sites and India-administered islands. It is also setting-up highly secured data centres and Big Data content delivery networks that are software-defined. This network will give the Indian Navy digital defence supremacy at par with the best naval forces in the world
- **Partnering with two of the world's largest Cloud companies:** STL is enabling high-capacity data-centre connectivity for two global giants. It partnered with them to innovate on a TruRibbon® and structured cabling solution for data centres

Key pillars driving growth

Technology, Customer Experience, Transformation, Talent

Our key pillars that drive growth and ensure world-class execution excellence.

Technology Innovation

Technology is at the heart of everything we do. Our commitment to the future can be seen in our Centre for Excellence where, in collaboration with the Indian Institutes of Technology and global research institutions, some of the best scientific minds innovate on the networks of tomorrow. Our Centre for Smarter Networks is an experience lab that focusses on innovation on broadband networks. Our growing patent portfolio now stands at 271, which includes product and process patents.

Ayush Sharma

Programmable Networking & Intelligence

Ayush leads open, programmable network solutions at STL. A founding member of open SDN, he is a Master's in Data Communications from Brunel University, London. He has also worked at Reliance Jio, Huawei and Ericsson.

Jitendra Balakrishnan

Connectivity Solutions

Literally a rocket scientist, Jitendra is a Doctorate in Mechanical and Aerospace Engineering from Cornell University. At STL, he drives R&D for connectivity solutions, and his previous experience includes several years in R&D at Corning.

Rajesh Gangadhar

Wireless Broadband Converged Platforms

Rajesh drives disruptive wireless technologies for last-mile connectivity at STL. An M.S. from Villanova University, Pennsylvania, Rajesh has worked at Sprint, Nextel, Cable Labs and Clearwire.

Phill Coppin

Application Engineering

A long timer at STL, Phill is a renowned optical fibre expert, and leads new product development, quality and process improvement. He has also worked at British Telecom and Corning.

Digital Transformation and Global Supply Chain

With customers spanning 100 countries, manufacturing facilities in three continents, and a diverse data-network solutions set, we have a complex demand-supply chain. Last year, we acquired Metallurgica Bresciana, an optical fibre cable manufacturer in Italy for access to new customers and product portfolios in Europe. Our industry 4.0 glass plant is almost ready, and our planned capacity expansions of 50 million fkm for fibre and 33 million fkm for fibre cable are on track. To orchestrate this global network, STL has invested in digital transformation for predictive modelling, deep planning and decision-making.

Pankaj Priyadarshi

Optical Fibre Operations

Pankaj leads STL's optical fibre operations across India and China. In his career across automotive and telecom industries, he has worked at Bharti Infratel and Eicher. He is an alumnus of BITS Pilani and INSEAD, Singapore.

Venkatesh Murthy

Optical Fibre Cable Operations

Venkatesh has been associated with STL for several years, and now leads the Company's optical fibre cable operations across India, Italy and Brazil.

Aldo Santus

Connectivity Solutions

Founder of Metallurgic Bresciana, Aldo joined the STL family with the former's integration in FY19. He is a mechanical engineer from the University of Milan.

Ambica Rajagopal

Data Science

A PhD from Purdue University and a Master's in Math from BITS, Pilani, Ambica heads data science and predictive analytics at STL. She has led data science at Cummins, KPMG, RMS and Fidelity Investments.

Deep Customer Engagement

Our relationships with our customers are deep-rooted as we partner with them to develop solutions for enhanced user experience. Our operating model, with significant focus on key accounts, ensures we cater to the evolving needs of some of our largest and oldest customers. While our revenues have consistently grown at a CAGR of ~30%, our key accounts contributed more than 50% to our top line in FY19.

Richard Eichhorn
Global Business Development

Richard leads the Company's presence in EMEA, Americas and SE Asia. With vast experience in sales and marketing, he has worked at Reichle & De-Massari, Nexans Cabling, Anixter, Alcatel Connect and Wesco.

Rahul Puri
India Business Development

Rahul recently joined STL from Apple. Here he heads sales for India for the connectivity solutions business. He has spent his 20 year career in technology and telecom, and has worked at Samsung, LG and Airtel.

Thomas Yang
China Business Development

Thomas is among the oldest members of STL, and is responsible for the Company's connectivity solutions business in China. He holds a Bachelor's Degree in Science from Shanghai Jiaotong University.

Swati Rangachari
Corporate Affairs

Swati is an active contributor to India's telecom policy shaping initiatives, and leads government relations for STL. She has worked at Boeing, Ericsson and VISA, and is an alumna of Fore School of Management, ICHEC Brussels and Boston University.

Saurabh Kumar
Key Accounts, Large Enterprises & Citizen Networks

Saurabh leads STL's public-sector business, including large enterprises such as Defence and citizen networks. An industry veteran, Saurabh has also worked at HFCL and Tejas Networks.

Girish Gupta
Key Accounts, Private Networks

Girish has been with STL for almost 20 years, and has been associated with multiple functions. He now leads the India private networks business, and is the face of the Company for Tier-1 telcos.

Nikhil Jain
Key Accounts, Network Software

A founding member of STL's software business, Nikhil has built the Company's software products and operations grounds up. He is a post-graduate in Computer Applications from LD College of Engineering, Ahmedabad.

Juhi Hajela
Corporate Communications

With experience across digital, marketing and customer growth at Google, McKinsey & Co. and MakeMyTrip, at STL Juhi leads media strategy and content. She has studied at the University of Oxford and the London School of Economics.

Balram Sharma
Supply Chain

Balram heads partnerships and supply chain for the network services business. An alumnus of Indian Institute of Management, Kozhikode, he brings expertise from organisations such as Bharti Infratel and Larsen & Toubro.

Best-in-class Talent and Culture

Our world-class talent and culture underpin our success. At STL, we invest in building a culture that attracts the best talent in the world. Our core values of hunger to learn, promises delivered, keep it simple, and respect and empathise help us create a vibrant and equal workplace. During last year, several global industry leaders joined our team, bringing with them capabilities across software-defined networks, converged networks, connectivity solutions, data science, OSS/BSS and several other functional expertise.

Risk Management

Robust strategies for safer business

At Sterlite Technologies Limited (STL), enterprise risk management (ERM) is a critical function that helps the Company to protect and enhance value for its customers, investors, employees, partners and other stakeholders.

STL proactively identifies and monitors its principle risks through an ERM process. The procedure seeks to minimise surprises and improve decision-making for STL to achieve its strategic, financial, compliance and operational objectives and actively work to reduce the impact and likelihood of identified risks.

Risk-management Organisation Structure

STL has a multi-layered risk-management framework aimed at effectively mitigating various risks to which the Company's businesses are exposed. The ERM policy defines the key roles and responsibilities of various divisions below:

Board of Directors

Ensuring that the risk-management framework is contributing to achieving business objectives, safeguarding assets and enhancing shareholder value

Risk Management Committee

Overseeing risks and their management; and reporting to the Board on the status of the risk-management initiatives and their effectiveness

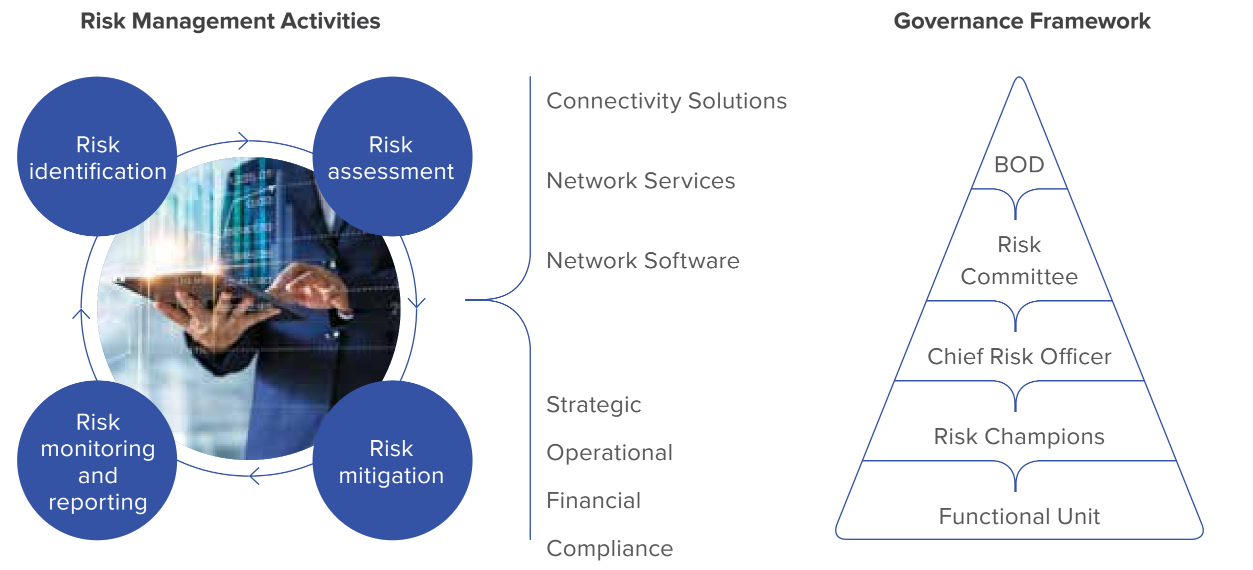
Chief Risk Officer

Developing and ensuring implementation of the ERM policy

Risk Champions

Considering the identified risks in all decision-making activities and adhering to mitigation plans developed for each risk

ERM Governance Framework



ERM Risk Management Activities

Risk management encompasses initiatives regarding risk identification, risk assessment, risk mitigation, and risk monitoring and reporting.

Risk Identification

This involves identifying those events, occurring internally or externally that could affect strategy and achievement of objectives. Events identified are further categorised into:

Strategic Risks
Geo-Political and Economic, Market, Competition and Pricing, Disruption

Operations Risks
Technology, Supply Chain, Capacity, Service & Product Delivery, HR, Cyber Security

Financial Risks
Currency Fluctuation, Internal Control, Financial Reporting, Credit & Liquidity, Interest Rate

Compliance Risks
Code of Business Conduct, Bribery & Corruption, Environment, Tax (GST, Income Tax)

Strategic Risks

Strategic risks are those which threaten the Company's ability to achieve its strategic objective. Strategic risks are analysed and mitigated through actions on markets and customer offerings, investment in R&D and product innovation. STL periodically assesses strategic risks to successfully execute its growth blueprint and impact on financial performance, effectiveness of organisational structure and processes, retention and development of high-performing talent and leadership.

Geo-political and Economic Risks

STL operates in a global environment and can be affected by the general economic atmosphere, political uncertainties, local business risks, as well as laws, rules and regulations in individual countries, thereby influencing demand for its offerings. The Company closely monitors the development on world events and undertakes proactive actions to minimise any potential negative impact.

Market, Competition and Pricing Risks

The market is extremely competitive therefore pricing is a key factor in customers' choice of supplier. The Company continues to focus on increasing its market share through access to new markets, new product development, capacity expansion and enhancing its client footprint. The Company closely monitors technological advances and competitive market changes to adapt the Company's strategies to be able to benefit from these opportunities and safeguard against potential threats. The Company continues to position itself with customers as a 'Partner of Choice' to design, build and manage smarter networks.

Disruption Risks

In an evolving business landscape, a new technically improved product could jeopardise the Company's prospects. To reduce the impact of these risks and pursue new opportunities, the Company continues to invest in new technologies. STL has 271 global patents, which has increased three times in the last four years. With its unique silicon-to-software capability, the Company designed and launched several network solutions during the year. Some notable offerings include FTTx Mantra (fully integrated, ready-to-implement FTTx solution) and TruRibbon® (high-density optical fibre cable for high-capacity networks). STL strives to introduce future-proof products and solutions to exceed stringent global standards and specifications.

Operations Risks

Operations risks negatively impact the Company's operations and are related to people, policies, procedures and IT systems that impact the product and service delivery to customers. STL aims to transform its business through processes, platforms and analytics. The Company has a robust mechanism in place to review its operations, including business processes and procedures to minimise the risk relating to product and service delivery to customers.

Commodity Risks

The Company is exposed to the risk of price fluctuation on raw materials and energy resources. As an industry leader, it has strong policies and systems in place that diminish the raw material price risk to a large extent. The Company is vertically integrated globally, and any movement in a single raw material does not impact its cost structure significantly.

Human Resource Risks

STL's ability to deliver value is shaped by its capability to attract, train, engage, motivate, empower and retain the best professional talent. These competencies must be developed across the Company's rapidly expanding operations. STL has undertaken significant steps in building capabilities and talent pipeline for future. In addition, it continuously benchmarks HR policies and practices with the best in the industry and carries out necessary improvements to attract and retain the finest talent.

Risk Management contd.

Financial Risks

Financial risks include exposure to various concerns such as currency fluctuation, interest rate, credit and liquidity, tax and ability to manage financial cost and optimise returns on investment. Besides, there is also a risk of errors in the Company's financial reporting when accounting principles are not correctly applied, resulting in misrepresentation of its financial position.

Liquidity Risks

STL requires funds both for short-term operational needs as well as for long-term investment programmes, primarily in growth projects. 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 both in the short term and long term. The Company works with a healthy mix of long-term and short-term debt.

Interest Risks

The Company is exposed to interest rate fluctuations in both domestic and foreign-currency borrowings. It uses a judicious mix of Rupee and foreign currency borrowing within the stipulated parameters to mitigate the interest rate risk. This also helps to have a lower blended interest rate. The interest rate for Rupee borrowing is largely linked to MIBOR and the rate is linked to prevailing US Dollar LIBOR for foreign currency borrowings.

Foreign Currency Risks

STL's policy is to hedge all long-term foreign-exchange risks, as well as short-term exposures within the defined parameters. The long-term foreign-exchange liability is fully hedged, and hedges are on held-to-maturity basis. Within foreign currency, there are two major risk categories: Risk associated with the operations of the Company, such as purchase or sale in foreign currency; and risk associated with the borrowings of the Company denominated in the foreign currency. The Company has a defined and proven policy to manage both kinds of risk, and this is reviewed frequently in the light of major developments in economic and global scenarios.

Counterparty Risks

The Company is exposed to counterparty risks on its receivables and investments. It has clearly defined policies to mitigate these risks. Limits are defined for exposure to individual customers and the exposure is strictly monitored on an ongoing basis. Moreover, given the diverse nature of its businesses, trade receivables are spread over several customers with no significant concentration of the credit risk. Cash and liquid investments are held primarily in debt mutual funds and banks with high credit ratings, issued by CRISIL and ICRA. Emphasis is given to the security of investments.

Compliance Risks

Compliance risks result from violations or non-compliance with laws and regulations, Code of Business Conduct and contractual compliance having material impact on the Company's financial, organisational and reputational standings. STL has strong compliance management framework. Risks related to various compliances are identified, assigned to owners and monitored on periodic basis.

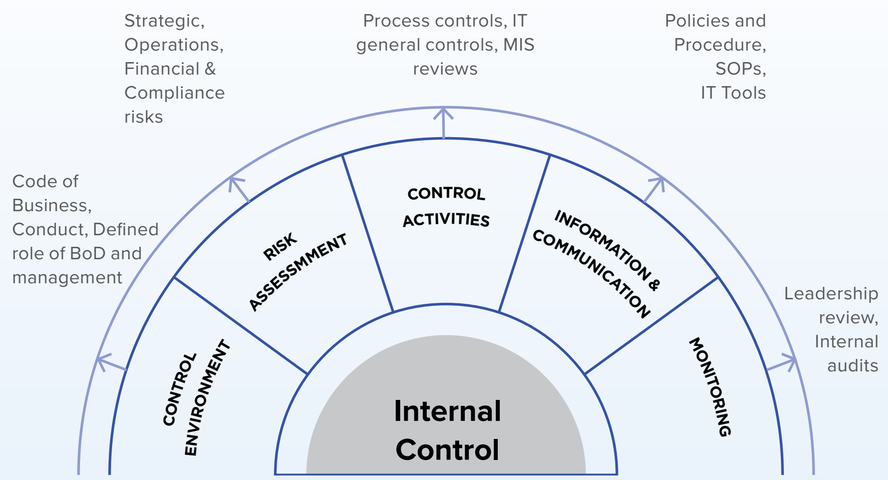
Further, a strong whistleblower mechanism has been in place for reporting of non-compliances (the whistleblower policy is available on the Company's website). In addition, external independent internal audit reviews the compliance management framework, including its operating effectiveness and submits its findings to the Audit Committee.

Risk Assessment

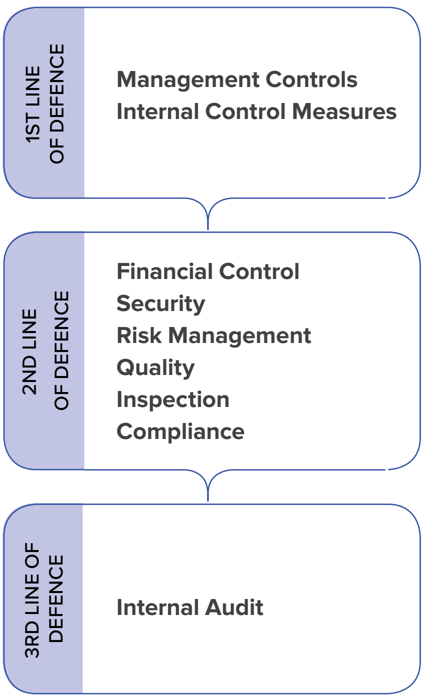
Risk assessment includes evaluating risks on the likelihood of occurrence and their potential impact. Risks are assessed at inherent (gross risk without considering controls) and residual basis (for example, Net Risk). Residual risks are considered for response and monitoring.

Internal Control

STL's system for internal control and risk management is based on an integrated framework issued by COSO, which outlines the components, principles, and factors necessary for an organisation to effectively manage its risks through the implementation of internal control framework.



In addition, the Company has also implemented The Three Lines of Defence model, which defines duties and responsibilities in addressing risks.



Regular internal audits and checks ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors (BoD) periodically reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening these.

Risk Mitigation

This process identifies and evaluates possible risk mitigation plan or risk responses against identified risks, which includes appraising options in relations to risk appetite (avoid, accept, mitigate or transfer the risks) and cost versus benefit of potential risk mitigation plans and degrees to which mitigation plan will reduce impact and/or likelihood. In this procedure, mitigation plans are finalised and owners are identified and assigned the tasks to implement the plans.

Risk Monitoring and Reporting

The Risk Committee reviews the adequacy and effectiveness of the risk mitigation plans and reports it to the Board. The Committee also monitors and reports factors affecting identified risks, such as changes in external environment, business processes and operating model and future trends. These reviews are aimed at continual improvements in the organisation's risk management culture.

Responsible Corporate Citizenship

Creating value for communities and the environment

At STL, we are committed to conducting our business responsibly and sustainably, through engagement and dialogue with all key stakeholders.

Sterlite Technologies Limited (STL) believes that for a business to truly be successful, it needs to establish a robust foundation of corporate citizenship where every interaction is guided by strong moral and ethical standards. There also needs to be a balance between the requirements of shareholders, the community and the environment surrounding the business' operations. A robust social and environmental performance is no longer simply a 'nice to have' element, but a business imperative.

Using this approach, STL delivers 'shared value' by optimising its core competencies to address operational challenges in the environmental, social, and governance (ESG) aspects of the business. This allows us to create both business and social value in countless ways, from establishing innovative community involvement partnerships to engaging with stakeholders and assess ESG impacts and opportunities.

Transforming Everyday Living through Value Creation

From a fiscal viewpoint, value is created for stakeholders when the revenue a business earns surpasses its expenditure. However, at STL, we place emphasis on much more than simply fiscal value creation. We aim to 'create shared value' for all our stakeholders by continually ensuring responsible corporate citizenship.

We ensure all our operations are consistently driven through unrelenting focus on technology, innovation and sustainability. The combination of these not only help develop the communities we operate in, but also deliver enormous benefits to stakeholders across the value chain as well as the business.

Sustainability and corporate social responsibility are thus at the forefront of how we drive our purpose of - Transforming Everyday Living by Delivering Smarter Networks. In FY19, it has not only enabled us to deliver on the triple bottom line and contribute to building a connected nation, but also map our transition into an organisation with minimal impact on the environment.

Responsible Corporate Citizenship contd.

Stakeholder Engagement and Materiality Assessment

Stakeholder Engagement

Engaging with our esteemed stakeholders meaningfully and forging long-lasting relationships has been and continues to be integral to the way we conduct our business. Proactive engagement helps us anticipate potential risks and opportunities. These can significantly impact the business and affect our ability to achieve strategic goals.

We aspire to create long-term value for our stakeholders and recognise that regularly engaging with them is essential to achieve sustainable success. Through our robust stakeholder identification, prioritisation and engagement approach we are able to understand their needs and expectations, and subsequently address them through our business strategies.

Stakeholder Groups	Mode of Engagement	Topics of Engagement
Employees	Townhalls, all hands meeting, leadership shop floor visits, performance management systems, one-to-one interactions, trainings, induction workshops	Professional growth, skill development, increasing diversity, competency enhancement
Communities	Community visits, social needs and impact assessment, philanthropic engagement, employee volunteering activities	Development projects according to the identified needs, support to social causes
Shareholders	Annual general meeting, performance calls, interaction with investors	Economic value creation, disclosure on Environment, Social and Governance (ESG) performance
Customers	Plant visits, customer satisfaction survey, key account management, conferences and events	New product development, research and innovation, delivery compliance, customer satisfaction
Suppliers	Supplier meets, supplier plant visits, relationship management	Supplier satisfaction, material compliance, joint development, mutual value creation

Materiality Assessment

Sustainability topics identified through our exhaustive stakeholder engagement process are classified and prioritised through a rigorous framework. This helps us decide which topics are material, i.e., critical to the business and at the same time important to our stakeholders.

These act as vital elements in shaping our strategy and long-term vision. They are derived from ESG frameworks such the Global Reporting Initiative (GRI), global initiatives such United Nations Global Compact and United Nations Sustainable Development Goals.

In FY19, we conducted a comprehensive and detailed exercise with business leadership to understand the impact and significance of each sustainability topic on our business activities. Further, through regular engagement with stakeholders, we prioritised topics that were most important for the organisation.

We have established a sustainability roadmap complete with targets and performance indicators to monitor our progress towards addressing these identified material topics.

Materiality Matrix

Stakeholder Concern ↓ / Business Priority →	High		Extremely High
Extremely High		• Research optimisation • Energy conservation • Waste diversion from landfill and recycling • Community development and CSR	• Economic value creation • Research and development • Water management • Occupational health and safety • Employee satisfaction
			• Training and professional development • Upholding human rights and ethical behavior • Customer satisfaction
High			

Responsible Corporate Citizenship contd.

Focus on Environment Excellence

Being a responsible corporate citizen is about taking complete responsibility for operations across our entire value chain right from sourcing to designing, manufacturing, transportation to our customers and ultimately the user. What we take in the form of natural resources, our raw materials; how and what we make in terms of the quality and durability of our products; and what we waste, are in fact all a question of ethics. Thus, as a global business, it is vital that we not only ensure sustainable and responsible sourcing and manufacturing, but also work towards mitigating global issues and conserving the environment we operate in.

The journey towards being a responsible corporate citizen begins with responsible sourcing. We thus ensure all our suppliers are complaint to stringent human rights practices, source the raw material sustainably and conduct their operations in an eco-friendly manner.

The next step is ensuring we design products that are best-in-class and highly durable while utilising minimum resources. While manufacturing these products, we utilise natural resources, which increases our environmental footprint. We have hence invested in conducting our operations in an environmentally sound manner and have proactively adopted technologies that reduce our impact on nature.

Once products are manufactured, transporting them safely and using packaging material that will have minimal influence on the environment is important. Concurrently, ensuring transportation of by-products and waste from the manufacturing location in a way that does not affect the environment is equally crucial. We thus use technology—our core expertise—to ensure our products and by-products both safely reach our customers and recycler, respectively.

Lastly, we strive to ensure that the waste we generate through our manufacturing processes does not go to landfill. We have hence worked on ensuring and identifying partnerships with industries where they can be reused, thereby increasing their lifecycle and diverting them away from landfill.

The following sustainability-related data covers our optical fibre operations in Aurangabad and cable manufacturing units in Silvassa. The reporting boundary does not include operations outside India as well as non-manufacturing facilities such as offices in India.

To summarise, our sustainability mission is to be a responsible leader in ensuring India's connected future benefits for

Our Communities
By delivering life-changing services and technologies, thereby enabling a brighter future

Our Environment
By developing system-wise approaches that will reduce our environmental footprint with economic returns in the long run

Our People
By ensuring that they are healthy, safe, engaged and inspired to drive inclusive, equitable growth

Our Conduct
By creating sustainable practices, policies and business models that will support the growth of our business and communities

Creating Shared Value

Sustainable sourcing

Connected, transparent and traceable supply chains

Proactively understanding and addressing risks, going beyond compliance

Integrating business with environment

Drivers for business change

Growth of CSR and sustainability reporting

Delivering business for the benefit of all

Propelling local cluster development

We are determined to set a benchmark for what it means to be a responsible corporate citizen in India. FY19 was the year, we achieved several milestones in this regard.

The UN Global Compact

The trust of our stakeholders has always been a priority for us.

Transparency, regulatory compliance and a robust code of conduct and ethics policy guide our processes, operations and culture. We have always endeavored to positively contribute towards the protection and fulfilment of human and labour rights whether through our core business, strategic social investments or collective action. The safety and wellbeing of our people and the communities surrounding our operations is paramount.

During FY19, we became a signatory to the UN Global Compact (UNGC), the world's largest corporate sustainability initiative. This alliance solidified our pledge towards responsible business practices in the areas of human rights, anti-corruption, fair labour and conserving the environment. It reinforced our commitment to ethics, diversity, non-discrimination and transparency in operations.

While our operations have always been aligned to the UN Sustainable Development Goals (SDGs), during FY18 we formally mapped our activities with the UN SDGs. In FY20, we will begin communicating our progress on each of the 10 principles of the UNGC.

Sustainability across the Supply Chain

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Sustainability is not just about responsible manufacturing operations. The way raw materials and finished products are managed, used and transported, all play a vital role in determining the extent to which sustainability is embedded into an organisation's processes and values. Our partners also play a critical role in our commitment to operate responsibly.

Chemical Management

At STL, we critically evaluate each of our suppliers to ensure they operate sustainably even outside our manufacturing facilities. This involves adherence to robust procurement policies, which guarantees full compliance from our suppliers on set regulations. Checks such as lab test reports and declarations among others form part of the procurement process. These stringent mechanisms have enabled us to meet with rigorous international requirements such as the Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations for our products. This is despite our products requiring the use of several chemicals such as resins, inks, coatings and jelly, along with polymers such as polyethylene, nylon and polyester, among others.

Developing Smarter Networks

Owing to the nature of our products, regulations and specific customer needs, our choice of suppliers includes a mix of national and international dealers. However, realising the risk to maintaining such a mix, we have, over the last few years, intensified our commitment to develop and partner with promising suppliers around our manufacturing facilities for continued improvement. Through our capacity building programmes, we have engaged and developed local partners to produce and supply superior quality Fibre Reinforced Plastic (FRP) and wood drums. Simultaneously at Aurangabad, we share inputs on enhancement in quality, competence augmentation and other factors through partner audit programmes.

We have developed a vendor selection process, which prioritises environmental and societal aspects and regularly monitors each of our suppliers. This ensures that each of our partners operate according to the UNGC Network principles, which we abide by. We have been working with them to develop similar quality materials, thus creating alternative sourcing, as well as reducing the procurement distance.

34%

We have continued to localise sourcing thus being able to procure 34% of raw materials and packaging requirements by value from India

Hence, as a part of our commitment to responsible corporate citizenship, we procure all non-critical materials such as packaging, machine spares and job work, among others from local vendors. We collaborate with these vendors to improve their skills and ensure that they meet the quality requirements.

This collaboration allows us to share the financial value created with our partners as well as contributes to the economic development of the region.

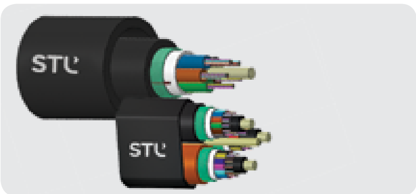
Responsible Corporate Citizenship contd.

Quality products that are good for the customer and the environment

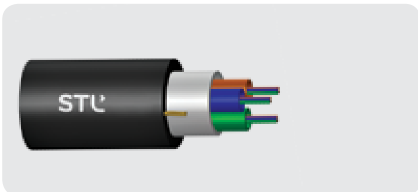
STL is a customer-focussed organisation. Our objective is to provide high-quality products and services that do not just meet but exceed our clients' expectations as well as the experience of the end user. This is our way of showing them we are committed to our purpose of 'Transforming Everyday Living by Delivering Smarter Networks'.

However, while doing so, equal importance is given to reducing the environmental impact the product will have at every stage, right from raw material extraction, to manufacturing, use and its eventual end-of-life. By substituting the materials we use for our products, using innovative designs and light weighting among other approaches, we have incorporated lifecycle thinking into our products right at the development phase. This has substantially improved the sustainability credentials of the products we manufacture, such as reducing our carbon footprint, among others. It has also simplified enabling a sustainable and connected future globally. This is also driven through a robust Quality, Environment Health and Safety (QEHS) policy. The policy aims at enhancing customer satisfaction through proactive engagement to understand their changing requirements. It also details our assurance to persistently advance quality parameters, recycle and decrease waste, discharge and emissions as well as avert or reduce impact on people; thus creating further value for our customers.

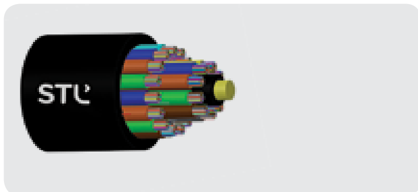
Quality products coupled with knowledge on how to use and maintain them enhances their durability. Increased durability is part of our commitment to the greater good. It means we use less and waste less through reduced replacement and repairs. We have hence integrated our offerings with certified trainings by experts on how not just our products, but the entire lines we lay should be used and maintained to lower the wear and tear or prevent downtime. This improves our customers' efficiency and effectiveness and the end users experience when using their products.



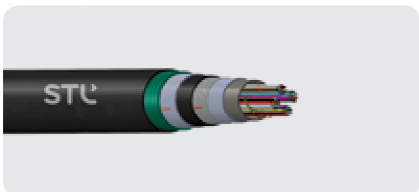
MobiLite & MultiLite
A future-proof, green and unique one-step solution for underground deployment for fibre backhaul, 2X network building and FTTx



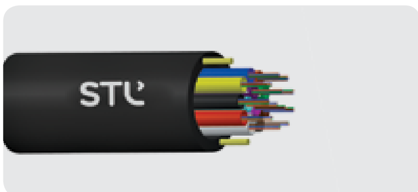
Work Safe Lightweight Overhead Cable
This fibre drop cable meets the breaking load requirement of 1350-1800 N in the interests of safety for overhead applications



Micro Bullet Series – up to 288F
Re-engineered buffer tube material for optimum cable packing efficiency.



Olympus Lite Cable
Withstands extremely high temperatures and fire conditions.



Indicium Lite Cable
This solution helps in efficient deployment with zero fibre cuts.

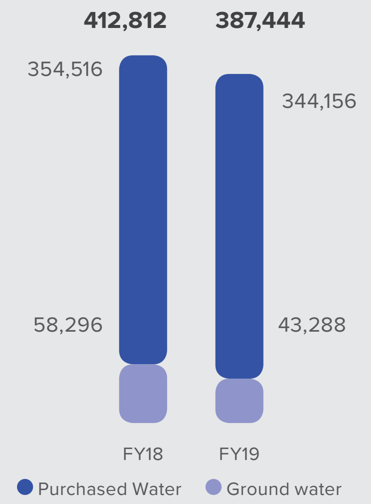
Additionally, we have a team devoted to ensure manufacturing excellence. Together with the procurement management team they work to identify suppliers of cables which are more resistant to breakage. This not only results in significant process waste reduction, better finished products and customer satisfaction, but also helps conserve resources and reduce emissions.

Zero Water Discharge

6 CLEAN WATER AND SANITATION

The optic fibre and cables manufacturing processes are not water intensive. Water is primarily used for industrial cooling, in boilers and for domestic use. However, we still attempt to keep our consumption of this precious resource at a minimum considering the scarcity across the country. With advanced water treatment facilities, we are able to continually increase the reuse potential of waste water, thereby limiting our intake of fresh water. We also treat and reuse domestic effluent, which is channeled back for use in gardening and horticulture.

Water usage by source
(kilo litre)



Our approach to decrease our freshwater intake

Aside from the efforts at our manufacturing facilities, we strive to impart sustainable water usage practices even among our employees. We observe events like 'World Water Day' where we conduct organisation-wide awareness campaigns on how employees can reduce, recycle and reuse water at the workplace and their homes.

78,620 m^3

During FY19, our manufacturing facilities in India have used 3,87,444 m^3 of water.
78,620 m^3 of water was recycled and reused at our manufacturing facilities in India.

Responsible Corporate Citizenship contd.

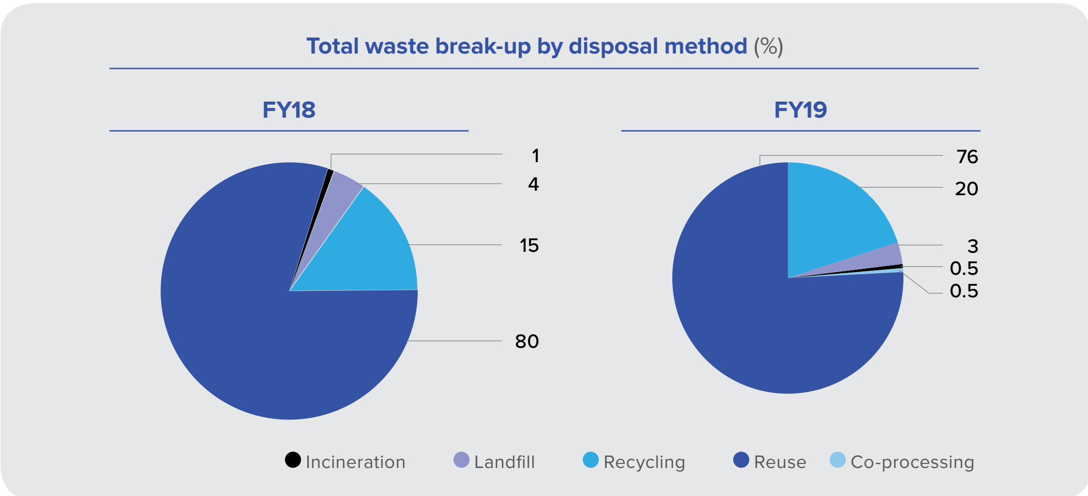
Zero Waste to Landfill

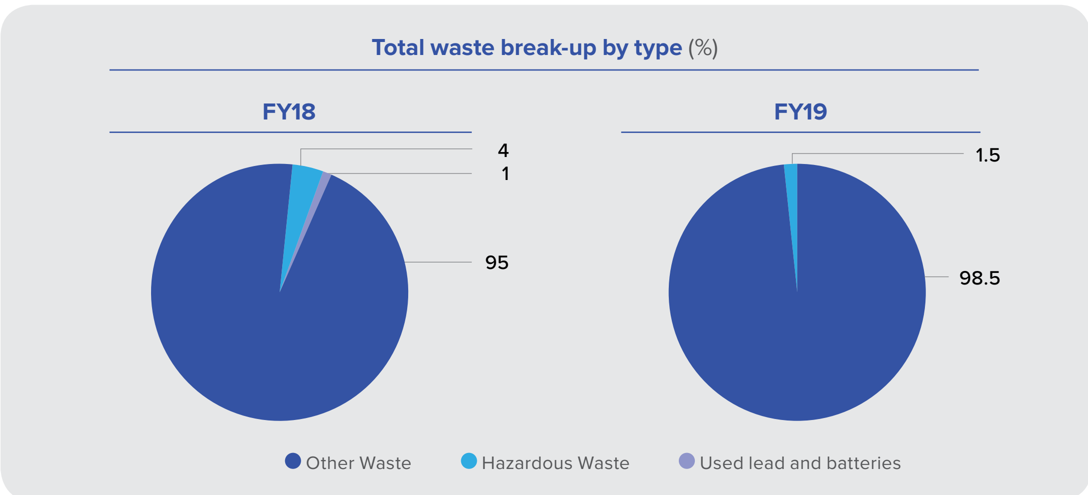
Any process waste is viewed as a lost prospect to convert raw materials into finished products. Hence, we survey every level of waste management to create opportunities for generating value. This comprises waste produced at source, primary waste collection, storing and subsequent disposal.

One of the most significant achievements in FY19 was our endeavour to divert waste from packaging and operations away from landfills and our ultimate goal is: **To achieve Zero Waste to Landfill certification for all manufacturing units in India by 2020**

Zero waste to landfill is a specific goal to divert at least 99% of waste generated through business activities away from landfill. This means that all waste produced is either reused, recycled, composted or sent to energy recovery. The audit process and certification was conducted by Intertek, a global Total Quality Assurance provider.

The waste management journey has allowed us to continually enhance our processes. It has enabled us set a new baseline on waste grading, driving implementation of data collection and internal processes that is ultimately helping us move towards a more circular use of resources. This entire progression has not only aided us in achieving waste reduction and thus cost savings, but also unlocked several efficiencies in manufacturing.





Approach

1. Reducing **waste generation at source**, complemented with rigorous tracking, monitoring & corrective actions where needed
2. **Segregation, classification and categorisation** of waste to avoid contamination and maintain recyclability
3. **Priority to reuse and recycle** waste over landfills and incineration
4. **Ensuring legal compliance** of waste management rules in accordance to both Indian and global regulations.

These efforts further increase the lifecycle of products through reuse, recycling or redesign, thereby promoting a cradle-to-cradle approach for use of natural resources and raw materials. These initiatives have helped us in diverting over 36,300 MT of waste across all our manufacturing units in total from landfill.

Achievements

Our Dadra and Waluj manufacturing units diverted 96% of waste away from landfills earning them a 'Near Zero Waste to Landfill' certification.

However, our manufacturing facility at Rakholi achieved the 'Zero Waste to Landfill' certification by diverting 99% of waste making it the first Optical Fibre Cables manufacturing unit in India to receive this certification.

Salient facts

All waste buyers now must provide a declaration on the end-use of waste and an undertaking that any waste generated while recycling at their end will not be sent to landfill.

For transportation of hazardous waste and by-products such as hydrochloric acid (HCl), silica and hypochlorite, a GPS monitoring device is installed on the vehicles to ensure that there is no detour. Additionally, these vehicles are accompanied by an STL associate to ensure safe and secured delivery.


Intertek does hereby certify that an independent assessment has been conducted on behalf of

STERLITE TECHNOLOGIES LIMITED, RAKHOLI

Certificate Number: ZWL-2019-01
Certificate issued: 8 February 2019

Initial Verification Date: 11 January 2019
Certificate valid until: 8 February 2022

Applicant Address: Survey No. 68/1, Rakholi Village, Madhuban Dam Road, Silvassa – 396230, Union Territory of Dadra & Nagar Haveli, India

Product Category: Telecommunications Equipment

Conformance Criteria: Zero Waste to Landfill diversion rate exceeding 99% is applicable to the Manufacturing Optical Fibre Cable

Issuing Office Name & Address: Intertek Testing Services NA, Inc., 4700 Broadmoor Ave SE, Suite 200, Kentwood, MI 49512 USA, Ph: +1-616-656-7401

Brian Kneibel
Certification Manager


intertek

CERTIFICATE OF VERIFICATION

This is to verify that:

Sterlite Technologies Limited

Main Site: E1, E2, E3 & Gut No 14 Waluj, Aurangabad, Maharashtra, 431136, India

has been assessed and verified by Intertek for their

Near Zero Waste to Landfill

Near Zero Waste to Landfill diversion rate exceeding 95% is applicable to the Manufacturing of glass and optical Fibre.

Verification Number: ZWL-2018-08
Verification Initial Date: 02 May 2018
Verification Issue Date: 02 May 2018
Expiry Date: 01 May 2021

Calin Moldovean
President
Intertek Testing Services NA, Inc.
900 Chelmsford Street
Lowell, MA, USA 01851
USA

Responsible Corporate Citizenship contd.

Co-processing Case Study

Disposing optical fibre (OF) and cables waste as well as Low Smoke Zero Halogen (LSZH) is a major challenge globally. While common understanding is that OF waste is glass waste, it actually consists majorly of coating material which cannot be recycled as glass. Owing to this complexity, landfilling has traditionally been the only viable disposal mode. However, neither of these were an option due to the serious adverse impact they would have on the environment.

We finally achieved a breakthrough by successfully sending OF and LSZH waste to cement plants for co-processing where the waste is burnt substituting fuel. Due to the high temperature in the kiln used at cement plants, the waste burns completely with no adverse environmental impacts. This simple but effective solution comes with an enormous advantage of reducing the negative impact LSZH and OF waste has on environment, as well as diverting it away from landfill. Co-processing this waste has led to tremendous cost savings as well as diverted about 120 MT of LSZH and of waste from landfills.

36,300+ MT

Waste has been diverted away from landfills in FY19

Our Waste Management Strategy Involves

- Reduce Waste Generation at Source
- Ensuring Legal Compliance
- Prioritise Reusing and Recycling Waste
- Segregation, Classification and Categorisation

In another significant effort to decrease waste, we have reduced the use of overall packaging material for our products. We do this by using recyclable materials and reusing the packaging material multiple times before discarding it. In some cases, we have done away with packaging altogether. The 500 meter coils of cable we dispatch for last-mile connectivity is such an example, where the use of wooden drums has completely been eliminated. This approach reduces the weight and makes the coils easy to transport and use since they can be carried over the shoulder.

Packaging material accounts for a sizeable fraction of the total resource consumption for our products. We have thus tried to ensure that we source raw materials in larger packaging making the cleaning and recycling process simpler. We have also replaced packaging material such as wood with plastic and metal substitutes, which can be reused and have a longer lifespan, thereby reducing the need for fresh material. We also rigorously monitor hazardous and even non-hazardous waste monthly.

While we ensure our processes comply with the stringent waste management rules in the country, we also verify the approaches our recyclers adopt. This assures us that they are operating according to the prescribed laws and our by-products or waste are further reused promoting a circular economy.

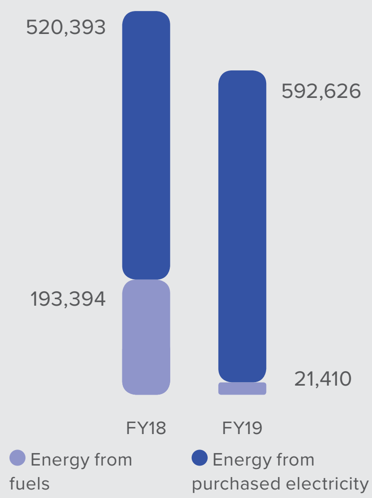
Reducing our Carbon Footprint and Energy Consumption

Energy conservation and greenhouse gas management are important aspects of our sustainability practices at STL.

While optical fibre and cables manufacturing are not energy intensive, the quantum of energy that we use and the greenhouse gases that result from this usage makes it a material issue for us. Apart from electricity and fuel use, greenhouse gases result from activities such as travel and certain refrigerants and cause global level issues such as climate variations.

We are continuously exploring ways to diminish our carbon footprint by meticulously tracing our emissions performance. We have extended the scope of our inventory to comprise scope 3 GHG emissions apart from the scope 1 and 2 emissions, which we monitor currently. Maintaining high-power factor while using electricity, using daylight by fitting transparent FRP sheets on shop floor roofs and adopting non-conventional and renewable sources of energy wherever possible are some of the efforts we have made in this direction

Energy Mix
(in GJ)



Greenhouse gas emissions from manufacturing facilities in India

↓ 1,636 tCO_2
Total Scope 1 (FY19)

15,435 tCO_2
Total Scope 1 (FY18)

158,034 tCO_2
Total Scope 2 (FY19)

↑ **1,18,534** tCO_2
Total Scope 2 (FY18)

Responsible Corporate Citizenship contd.

Leveraging technology and knowledge for the benefit of society

Part of being a corporate citizen involves being responsible to society at large; not only through eco-friendly operations, but also by mitigating the issues in areas we operate. It involves having a business model where financial returns coexist with corporate conscience. It is about being socially and ethically concerned. Thus, in addition to ensuring sustainability is embedded in our operations, we work on causes from conservational issues to community concerns in the areas we operate focussing on the environment, healthcare, women empowerment and education.

We have leveraged our expertise in technology and connectivity to ensure location is no longer a constraint for our beneficiaries. They can now access national markets and quality education, avail services essential for a healthy life as well as be surrounded by a green and safe environment to live in. The emphasis has always been on contributing to the protection and fulfilment of basic human rights through strategic social investments. During FY19, we transitioned into making this a collaborative goal, one where together with our employees, we could collectively help those less privileged to grow and ensure equal access to a better future for all.

This partnership enabled us reach out to over 205,200+ lives in FY19 alone. It took us a step closer to achieving our goal of reaching 1 million lives by FY20.

Material Topic
Local Communities

Goal
To impact 1 million lives by 2020

205,200+

Lives impacted in FY19

Education
186,400+ children benefitted

Health
14,500+ lives impacted

Environment
10,500+ trees grown

Women Empowerment
2,100+ lives improved

Employee Volunteering
2,200+ beneficiaries

Highlights of our CSR and Employee Volunteering programmes in FY19

Education

STL continued focussing on education during FY19; it being the main driver to the country's progress. In addition to the flagship programme, several other technology-related investments were made to ensure quality education is accessible to the masses in rural and semi-urban areas.

These include:

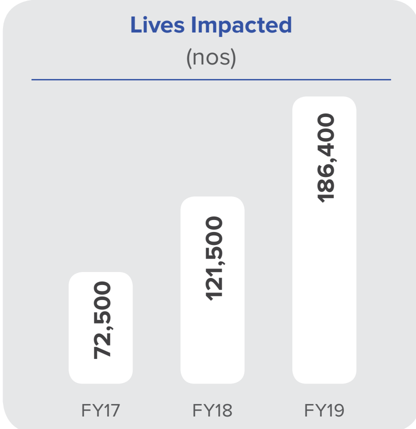
- **Virtual Classrooms**
- **Pragyan**
- **Smart Nandghars**
- **Laptop donations and scholarships were other smaller programmes**

The Virtual Classrooms project, since its launch in FY13 has ensured that reading, writing and speaking in English are no longer restricted to the privileged few. In FY19, over 182,000 students were covered under the project across Marathi, Hindi, Urdu and English medium schools.

It continued to be the largest virtual classroom programme in the country, reaching out to students from lower income families through sessions conducted by qualified experts. It is one of the few ed-tech initiatives in the country offering quality English education at par with private schools, to students of grades 5, 6, 7 and 10. The Virtual Classrooms project has been implemented in 480 Municipal Corporation of Greater Mumbai schools under Sterlite School Tech (SST).

Pragyan, another ed-tech initiative was implemented by SST in Jaipur with the sole aim of introducing quality education in rural and semi-urban municipal schools. Started in FY19, the programme has reached over 2,000 students and made learning interesting and enjoyable for them.

Another of our ed-tech initiatives, the Smart Nandghars focus on pre-school teaching. Pre-schooling is not a widely known concept in rural areas and children are normally put into school much later, thereby making learning difficult for them. Through ed-tech facilities, vibrant infra and interiors, we are working on inculcating a love for learning among the children right from a young age of 2-3 years. Through the Nandghars, we aim to make schooling fun for these children. Colourful and vibrant visual aids and learning charts and play-kits help these children develop their cognitive skills as well as learn nursery rhymes, numbers and alphabets better.



4,53,700+

Lives impacted till date through educational initiatives

Responsible Corporate Citizenship contd.

Healthcare

We believe it is essential to work at the community level to provide access to quality healthcare as it helps reduce gaps caused by differences in earnings, education, ethnicity, location and other factors. A healthy community is capable of mutually supporting each other in regular activities, but most importantly allows them to focus on aspects such as education and work among other things. Members of such healthy communities can thus reach their maximum potential, which brings in a mindset change and eventually development.

Our main healthcare initiative in FY19 has been

- **The Mobile Medical Unit**

Started in 2006, in partnership with the Indian Red Cross at Silvassa, the Mobile Medical Unit (MMU) in FY19 completed 12 years of untiringly providing primary healthcare facilities to tribals in the region.

The 24 villages the MMU services do not have basic medical facilities even within a radius of 10 kms. This leads to huge healthcare costs for the residents as their community primarily comprises daily wage earners. The health of the elderly and children were often neglected due to work shifts and the remoteness of the villages.

Through weekly visits at their doorsteps, the MMU has minimised these issues. It not only provides free health check-ups, but also distributes free medicines to the villagers. In emergencies, it helps them by serving as an ambulance to take critical patients to the city hospital free of cost. The tribals today diligently follow the advice of the doctor and come in for follow-up medication and check-ups. These communities are now healthier with the incidence of diseases reduced by 34%. They are aware of precautionary measures to be taken as well as how to identify certain symptoms, which can be treated early to avoid outbreaks.

298,000+

Lives impacted till date through healthcare interventions

Women Empowerment

Our flagship programme for women empowerment is

- **Jeewan Jyoti Women Empowerment Programme**

Setup in 2014 at Ambavane, Velhe, the purpose of the Jeewan Jyoti Women Empowerment Programme (JJWEP) is to equip rural women with vocational skills in computers, tailoring, nursing and beauty culture that will propel them towards financial independence. However, empowerment is not possible just through financial independence. The programme therefore encompasses various other facets such as confidence building, public speaking, knowledge of health and nutrition, life skills and even provides necessary help for entrepreneurship and employment. It works to create self-reliant, confident and financially independent women who are aware of their potential and the change they can make to the communities they live in. They are made to understand the importance of education and gender equality.

After five years in the region, there is a visible difference in the socio-economic condition of these women. The marriageable age for women has increased from around 16 years to over 20 years. They partake in decision-making and even contribute to their family's income. Today families in the region are supportive of educating their daughters. Women now follow their ambitions and some of them like Rupali Dimle, Vandana Sanas and Shashikala Wagh, among others have setup their own businesses. To promote excellence and increase the exposure students receive, we have introduced an internship for the top three students of the computer batch at our Pune Head Office.

During FY19, the JJWEP had the highest number of admissions, 421 students. The programme is one of the few in the country to provide the students with transport facilities in view of the lack of public conveyance in the region. This has helped women even in remote villages to avail of the programme's benefits.

7,500+

Lives impacted till date

Responsible Corporate Citizenship contd.

Environment

While we ensure sustainability is at the core of how we function, we also take cognisance of the environmental issues the communities surrounding our operations face. Afforestation and Water Conservation are thus two of STL's main environment-related focus areas which are implemented through:

- **Project Green Belt**
- **Jaldoot**

Project Green Belt was initiated in 2016 in an endeavour to alter the MIDC stretch of land outside our Waluj manufacturing unit, which was being used as a garbage dump by the public. Several power lines and open sewage drains made it dangerous for pedestrians. Besides, with Aurangabad being an industrial area, increasing the green cover in the region was essential.

67,900+

Lives Impacted through environment interventions

Hence, we developed 700 meters of the MIDC road and transformed it into a green belt. During FY19, we developed another 700 meters covering both sides of the road. Trees with air filtration features were mainly planted through active participation by our employees. The entire 1.4 kms road consists of over 10,000 trees and plants all helping to facilitate a cleaner and green environment.

Jaldoot, a watershed development programme helped farmers in drought-affected Aurangabad to reap a plentiful harvest. While the rains in the region were absent, the groundwater percolation facilitated through Jaldoot helped these marginal farmers earn a livelihood.

Fostering a Conscientious Work Culture to Increase Inclusivity

At STL, our transformation enablers are our employees. Together with them, we aim to exponentially enhance our community outreach programmes while simultaneously building a culture with a conscience. A culture where we use less, waste less and reuse more; not just at our manufacturing facilities, but also at our offices and project sites. A culture where together with our employees – the smarter network we leverage; we transform everyday living for our beneficiaries through shared knowledge, care and responsible behaviour.

FY19 was a year where our volunteering and awareness interventions stood testament to this commitment.

- **Daan Utsav**
- **Saksham**
- **Tree Plantations**
- **Blood Donations**
- **Waste Reduction and other awareness campaigns**

Daan Utsav celebrated during October witnessed over 110 employees volunteer to #GiftAWish to needy children. They fulfilled wishes of more than 700 children. While the children were ecstatic visiting manufacturing plants and offices for the first time, employees actively participated and enjoyed their interactions with the children. Employees even visited the NGOs to distribute gifts to the children and celebrate Diwali with them.

Saksham, a mentoring initiative was started in FY19 to equip the JJWEP students with essential soft skills they need when interacting socially or at interviews, etiquette, digital awareness and even basic spoken English; all of which we believe will help them develop themselves to reach their true potential. Till date 15 employees have volunteered to mentor the students. The format of the programme ensures personal attention to every beneficiary, which enhances the learnings the students take back. Over 160 students have benefitted through Saksham.

Through regular tree plantations by employees on days like Earth Day, World Environment Day, over 140 trees have been grown. Additionally, the #GreenAurangabad Challenge conducted as part of Project Green Belt, witnessed 470 employees plant over 1,400 trees and plants in less than two hours.

Blood donations are another regular activity we conduct across locations at STL. Till date over 4,200 lives have been saved through the blood donated by our employees. During FY19, over 400 units of blood were donated.

Apart from these regular volunteering activities, employees visit NGOs on days like Women's Day and Children's Day, among others to create awareness among the women and children on their rights, the necessity for education and even to simply spend time with them and show them the world still cares.

Overall, in FY19 employees clocked over 2,100 volunteering hours reaching more than 2,200 beneficiaries.

2,500+

Employee volunteers till date

4,100+

Volunteering hours clocked

Responsible Corporate Citizenship contd.

Recognition for the Work Done

We are grateful to the various industry bodies that have recognised our CSR and sustainability efforts. The awards won in FY19 include:

- India International CSR Conclave Project of the Year Award for Education (Virtual Classrooms)
- India CSR Network Project of the Year Award for Women Empowerment (Jeewan Jyoti Women Empowerment Programme)
- Grow Care India Sustainability & Water Management Awards – Platinum for Rakholi manufacturing facility
- Grow Care India Sustainability & Water Management Awards – Gold for Dadra manufacturing unit
- FSC Quality Excellence Awards for Environment Sustainability

Next Steps

In view of the progress made in FY19, we are even more determined to scale our impact using technology, innovation and the collaboration with our transformation enablers. In FY20, we not only look forward to reaching our goals for 2020, but framing more ambitious ones for the years to come – goals that will truly transform everyday living for our beneficiaries through digitally enhanced networks and interventions.

Directors' Report

To the Members,

Your Directors are pleased to present the Annual Report for the Financial Year 2018-19 together with the audited financial statements of the Company for the year ended March 31, 2019.

Financial Summary/Highlights

(₹ in crores)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Net Revenue from Operations	4,862.63	2,893.57	5,087.26	3,205 .49
Profit / (Loss) before Interest, Depreciation & Tax	1,053.84	625.22	1,147.08	774.97
Add: Finance Income	20.52	14.84	16.93	13.65
Less: Finance cost	95.25	102.68	105.49	103.83
Less: Depreciation and amortisation expense	167.79	170.14	194.98	182.21
Net Profit/(Loss) before taxation	811.32	367.24	863.54	502.58
Total Tax Expenses	276.09	112.56	278.16	133.15
Net Profit /(Loss) for the year after tax	535.23	254.68	585.38	369.43
Share of profit/(loss) of Joint venture	-	-	-	(0.92)
Net Profit for the year after tax & share in profit/(loss) of joint venture	535.23	254.68	585.38	368.51
Loss from Discontinued Operations	-	-	(7.59)	-4.38
Profit for the year	535.23	254.68	577.79	364.13
Share of profit of minority interest	-	-	15.04	29.80
Net Profit attributable to owners of the Company	535.23	254.68	562.75	334.33
Balance carried forward from previous year	804.45	626.48	875.61	620.15
Amount available for appropriation	1,339.68	881.16	1,438.36	954.48
APPROPRIATIONS				
Equity dividend and tax thereon	(96.80)	(36.08)	(96.80)	(36.08)
Transfer to debenture redemption reserve	-	(37.50)	-	(37.50)
Others	(17.83)	(3.13)	(17.83)	(5.29)
Balance carried forward to the next year	1,225.05	804.45	1,323.73	875.61

Performance

Standalone

FY19 closed with Revenues of ₹ 4,862.63 crores, EBITDA of ₹ 1,053.84 crores, PAT of ₹ 535.22 crores and EBITDA margins of 22%.

Consolidated

FY19 closed with Revenues of ₹ 5,087.26 crores, EBITDA of ₹ 1,147.08 crores, Net Profit attributable to owners of the Company ₹ 562.75 crores and EBITDA margins of 23%.

Operations

Highlights of your Company's operations and state of affairs for the Financial Year 2018-19 are included in the Management Discussion and Analysis Report which forms part of this Annual Report.

Dividend

The Board of Directors ('the Board') is pleased to recommend a final dividend of ₹ 3.50/- per Equity Share (i.e. 175%) of ₹ 2/- each for the FY19. The distribution of dividend will result in payout of around ₹ 140.89 crores (excluding tax) on dividend. The dividend payout is subject to approval of shareholders at the ensuing Annual General Meeting ('AGM'). The Company proposes not to carry any amount to reserves for the FY 19.

In accordance with the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('Listing Regulations'), the Board of Directors approved the Dividend Distribution Policy of the Company on October 27, 2016. The Dividend Distribution Policy is attached as **Annexure I** to this Report and is also available on the website of the Company at https://www.sterlitetech.com/Code-of-Conduct-and-Policies.

Acquisition of Metallurgica

Sterlite Tech, through its wholly owned Italian subsidiary Sterlite Technologies S.p.A, acquired 100% stake in Metallurgica Bresciana S.p.A (Metallurgica), Italy. Metallurgica designs and manufactures special precision optical fiber cables and specialised copper cables for various communication applications. The acquisition will significantly expand Sterlite Tech's market presence in Europe. It will bring new tier-1 customers, augment product portfolio, and enhance flexibility and ability to better serve the European market.

Corporate Governance

A Report on Corporate Governance, in terms of Regulation 34 of the Listing Regulations, along with a Certificate from Practising Company Secretary, certifying compliance of conditions of Corporate Governance enumerated in the Listing Regulations, is presented in a separate section forming part of this Annual Report.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, giving detailed analysis of Company's operations, as stipulated under Regulation 34 of the Listing Regulations, is presented in a separate section forming part of this Annual Report.

Business Responsibility Report

As stipulated under Regulation 34 of the Listing Regulations, the Company has included a separate section on Business Responsibility as a part of this Annual Report.

Material changes and commitments affecting financial position between the end of the financial year and date of the report

There are no adverse material changes or commitments occurred between end of the financial year and date of the report which may affect the financial position of the Company or may require disclosure.

Board Meetings

During FY19, six meetings of the Board of Directors were held. The said meetings were held on April 25, 2018; July 19, 2018; September 14, 2018; October 24, 2018; December 19, 2018 and January 24, 2019. The maximum time-gap between any two consecutive meetings did not exceed one hundred and twenty days. Video/Tele-conferencing facilities are made available to facilitate Directors travelling abroad, or present at other locations, to participate in the meetings.

Composition of Audit Committee

The Board has constituted the Audit Committee which comprises of Mr. A. R. Narayanaswamy as the Chairman; Mr. Arun Todarwal, Mr. Sandip Das and Mr. Pravin Agarwal as the Members. All recommendations given by Audit Committee during FY19 were accepted by the Board. Further details on the Audit Committee and other Committees of the Board are given in the Corporate Governance Report, which forms a part of this Annual Report.

Directors and Key Manangerial Personnel

During the year under review, Ms. Avaantika Kakkar resigned as an Independent Director of the Company effective May 22, 2018 due to other pre-occupations. Your Directors place on record their appreciation for the valuable contribution made by Ms. Avaantika Kakkar during her tenure as director of the Company.

Upon the recommendation of the Nomination and Remuneration Committee, Ms. Kumud Srinivasan was appointed as Additional Director (Non-Executive, Independent) effective May 22, 2018 and her appointment as Independent Director was also approved by the Members in Annual General Meeting (AGM) held on June 26, 2018.

Mr. Arun Todarwal & Mr. A.R. Narayanaswamy were appointed as Independent Directors of the Company for a period of 5 years from April 1, 2014 to March 31, 2019 by the Members in AGM held on August 19, 2014. Upon the recommendation of the Nomination and Remuneration Committee, Board of Directors through its circular resolution dated March 28, 2019 approved the re-appointment of Mr. Arun Todarwal and Mr. A.R. Narayanaswamy, as Additional Directors (Independent) of the Company for a second term of two years with effect from April 1, 2019 to March 31, 2021 based on the skills, experience, knowledge and report of their performance evaluation and their independence from management. The re-appointment is subject to the approval of the shareholders at the ensuing Annual General Meeting by way of a Special Resolution.

Pursuant to Section 149 read with Section 152 of the Companies Act, 2013 ('the Act'), Mr. Pravin Agarwal, Vice Chairman & Whole-time Director will retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Board recommends his appointment.

Details of the aforesaid proposals for appointment of Mr. Arun Todarwal, Mr. A. R. Narayanaswamy and Mr. Pravin Agarwal, are provided in the Annexure to the Notice of the AGM.

The Company has received necessary declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Act and the Listing Regulations.

Pursuant to provisions of Section 203 of the Act, and the Rules made thereunder, following are the Key Managerial Personnel (KMP) of the Company:

1. Dr. Anand Agarwal – Chief Executive Officer
2. Mr. Anupam Jindal – Chief Financial Officer
3. Mr. Amit Deshpande – Company Secretary

There has been no change in the KMP during FY19.

Performance Evaluation of the Board, its Committees and Individual Directors

The Board of Directors of the Company is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee has established processes for performance evaluation of Independent Directors, the Board and Committees of the Board. Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of its Committees as well as the directors individually. Details of the evaluation mechanism are provided in the Corporate Governance Report.

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration ('NRC Policy'). The NRC Policy of the Company includes criteria for determining qualifications, positive attributes and independence of a director and policy relating to the remuneration of Directors, Key Managerial Personnel and other employees and is framed with the object of attracting, retaining and motivating talent which is required to run the Company successfully. The Policy can also be accessed on Company's website at the link: https://www.sterlitetech.com/Code-of-Conduct-and-Policies

Directors' Responsibility Statement

Pursuant to provisions of Section 134(3)(c) and Section 134(5) of the Act, your Directors state that:

a) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year April 1, 2018 to March 31, 2019;

c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared the annual accounts on a 'going concern' basis;

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Compliance with Secretarial Standards

Your Directors confirm that the Secretarial Standard - 1 on Meetings of Board of Directors and Secretarial Standard - 2 on General Meetings, issued by The Institute of Company Secretaries of India, have been duly complied with.

Contracts or Arrangements with Related Parties

All contracts and arrangements with related parties, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis.

During the year, the Company had not entered into any contract or arrangement with related parties which could be considered 'material' in terms of the Company's Related Party Transactions Policy. Accordingly, there are no transactions that are required to be reported in Form AOC-2.

Details regarding the policy, approval and review of Related Party Transactions are provided in the Corporate Governance Report.

Subsidiaries and Joint Ventures

In accordance with Section 129(3) of the Act, a statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 is provided as part of the consolidated financial statement. Hence, a separate report on the performance and financial position of each of the subsidiaries and joint venture companies is not repeated here for the sake of brevity. This also includes highlights of performance of Jiangsu Sterlite Tongguang Fibre Co. Ltd. and Metallurgica Bresciana S.p.A., material subsidiaries of the Company.

During the year under review, Sterlite Technologies S.p.A., Italy Metallurgica Bresciana S.p.A., Sterlite Innovative Solutions Limited and Sterlite Tech Connectivity Solutions Limited have become subsidiaries of the Company. Sterlite Technologies Europe Ventures Limited, Cyprus was struck off in FY19. Other than above, no company has ceased to be subsidiary/joint venture or associate of the Company in FY19.

Policy on material subsidiaries, as approved by the Board of Directors, may be accessed on the Company's website at https://www.sterlitetech.com/Code-of-Conduct-and-Policies

The Audited Financial Statements of the Subsidiary Companies have not been included in the Annual Report.

The financial statements of the Subsidiary Companies and the related information will be made available, upon request, to the members seeking such information at any point of time. These financial statements will also be kept for inspection by any member at the Registered Office of the Company and that of the respective Subsidiary Companies and are also available on the Website of the Company https://www.sterlitetech.com/downloads.html

Financial Statements

The physical copies of the statement containing the salient features of all the documents, as prescribed in Section 136(1) of the Act, read with Regulation 36 of the Listing Regulations, is being sent to all the shareholders/debenture holders of the Company who have not registered their email address(es). Any shareholder interested in obtaining the physical copies of the complete Annual Report may write to the "Company Secretary" at the Corporate Office of the Company at Pune or to the Registrar & Transfer Agent on its address as appearing in Corporate Governance Report of this Annual Report.

The consolidated financial statements of the Company prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, duly audited by Statutory Auditors, also forms part of this Annual Report.

Statutory Auditors

M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) ('PWC') were appointed as the Statutory Auditors for a period of 5 years from the conclusion of the AGM of the Company held on July 4, 2017. The requirement of seeking ratification of the members for continuance of their appointment has been withdrawn consequent upon the changes made by the Companies (Amendment) Act, 2017 with effect from May 07, 2018.Hence the resolution seeking ratification of the members for appointment of PWC is not being placed at the ensuing Annual General Meeting.

Explanation on Statutory Auditor's Qualification

The remark of Auditors at basis for Qualified Opinion paragraph of the Auditor's Report over Note No. 44 in Notes to Accounts to the Standalone Ind AS financial statements of the Company regarding demand of excise and customs duty and penalty amounting to ₹ 188 crores is self-explanatory and does not require further comment.

In the year 2004-05 CESTAT upheld the demand of ₹ 188 crores and interest thereon for alleged breach of norms pertaining to Export Oriented Unit (EOU). The Company had filed an appeal before the Hon'ble High Court of Bombay against this order. The Department had also made an appeal against the same CESTAT order before the High Court of Bombay. The Company's appeal against this order was dismissed by the Hon'ble High Court on the grounds that appeal is not maintainable in High Court, however without prejudice to the rights of the Company. Subsequently, the Company had filed a Special Leave Petition (SLP) and appeal before the Supreme Court of India which was admitted by the Court. Hon'ble Supreme Court has also maintained the stay granted by Hon'ble High Court. The Hon'ble Supreme Court, considering that the departmental appeal against the CESTAT order was still pending before the High Court, disposed of the Special Leave Petition of the Company and directed that the records of the departmental appeal be transferred to the Supreme Court and both the Appeals i.e. Departmental Appeal as well as Civil Appeal of the Company be heard together by the Supreme Court. The Company has obtained legal opinion from a leading Law firm in India having expertise on Indirect tax matters which states that the Company has a strong case in its favour and the provision made in respect of the above matter is adequate. Given the complexity of the matter and considering the views expressed by the law firm, the Audit Committee considers that the current provisioning in the books is adequate based on the best possible estimate.

Secretarial Auditor

Pursuant to Section 204 of the Act, Dr. K.R. Chandratre, Practising Company Secretary, was appointed to conduct the Secretarial Audit of the Company, for the financial year ended March 31, 2019. The Report of the Secretarial Auditor is annexed as Annexure II to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Cost Auditor

Pursuant to Section 148 of the Act, read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its telecom products are required to be audited. Mr. Kiran Naik, Cost Accountant, has conducted audit of the cost accounts of the Company for said products for FY19. Mr. Kiran Naik has also been appointed as the Cost Auditor for FY20 and he has confirmed that his appointment is within the prescribed limits. As required by the provisions of the Act, a resolution seeking Members' approval for the remuneration payable to Mr. Kiran Naik, Cost Auditor is included in the Notice convening the ensuing AGM.

Cost Audit Report for FY18 was filed with the Registrar of Companies within the prescribed timelines.

Internal Financial Controls

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. During the year, such controls were tested and the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2019 and are operating effectively, except for the possible effects of the material weakness as qualified by the auditors in their independent report on Internal Financial Controls.

In relation to the material weakness as mentioned above with regard to sufficiency of Provision relating to CESTAT order for breach of EOU norms, the Management believes that the Company has a strong case and does not require any further provisioning, based on the merits of the case and the legal opinion obtained.

The Board of Directors has devised systems, policies and procedures / frameworks, which are currently operational within the Company for ensuring the orderly and efficient conduct of its business, which includes adherence to Company's policies, safeguarding assets of the Company, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. In line with best practices, the Audit Committee and the Board reviews these internal control systems to ensure they remain effective and are designed to achieve their intended purpose. Where weaknesses, if any, are identified as a result of the reviews, corrective actions are then put in place to strengthen controls.

The systems/frameworks include proper delegation of authority, operating philosophies, policies and procedures, effective IT systems aligned to business requirements, an internal audit framework, an ethics framework, a risk management framework and adequate segregation of duties to ensure an acceptable level of risk.

The Company has documented Standard Operating Procedures (SOP) for key functions such as for procurement, project / expansion management, capital expenditure, human resources, sales and marketing, finance, treasury, compliance management, safety, health, and environment (SHE), and manufacturing. The Company's internal audit activity is managed through the Management Assurance Services ('MAS') function. It is an important element of the overall process by which the Audit Committee and the Board obtains assurance on the effectiveness of relevant internal controls.

The scope of work including annual internal audit plan, authority, and resources of MAS are regularly reviewed and approved by the Audit Committee. Annual internal audit plan is aligned with ERM to ensure that all critical risks are covered in the audit plan. Besides, its work is supported by the services of leading international audit firms. The annual internal audit includes: monthly physical verification of inventory and review of accounts/MIS and a quarterly review of critical business processes. To enhance internal controls, the internal audit follows a stringent grading mechanism, monitoring and reporting of the implementation of internal auditors' recommendations of internal auditors. The internal auditors make periodic presentations on audit observations, including the status of follow-up to the Audit Committee.

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Boards' report.

Legal Compliances Management

The Company mitigates its legal and regulatory compliance risks with the help of an online compliance management tool. It is a well-defined system for storing, monitoring and ensuring compliances under various legislations. Non-compliances, if any, are reported and corrective actions are taken within a reasonable time. Any regulatory amendment is updated periodically in the system. Based on reports from the system and certificates from functional heads, the CEO presents the quarterly compliance certificate to the Board at the Board meetings.

Business Risk Management

The Company has formally implemented Enterprise Risk Management framework and have policy to identify and assess the risk events, monitor and report on action taken to mitigate identified risks. A detailed exercise is carried out periodically to identify, evaluate, manage and monitor both business and non-business risk. The Audit Committee and the Board of Directors periodically review the risk and suggest steps to be taken to control and mitigate the same through a properly defined framework. Details of Risk Management are presented in a separate section forming part of this Annual Report.

The Board has constituted Risk Management Committee effective January 24, 2019. The Committee comprises of Mr. Sandip Das; Mr. Pravin Agarwal, Dr. Anand Agarwal, Directors and Mr. Anupam Jindal, Chief Financial Officer as the Members.

Vigil Mechanism / Whistle Blower Policy

The Company has established a vigil mechanism and formulated the Whistle Blower Policy (WB) to deal with instances of fraud and mismanagement, if any. The details of the WB Policy are explained in the Corporate Governance Report and also posted on the website of the Company.

Disclosure regarding Prevention of Sexual Harassment

The Company is committed to maintain a productive environment for all its employees at various levels in the organisation, free of sexual harassment and discrimination on the basis of gender. The Company has framed a policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act"). The Company has also set up "Prevention of Sexual Harassment Committee, which is in compliance with the requirement of the POSH Act, to redress the Complaints received regarding sexual harassment which has formalised a free and fair enquiry process with clear timeline. During FY19, 1 pending complaint from last financial year was resolved. No other complaint was pending as on March 31, 2019.

Employees Stock Option Scheme

The Company's Employee Stock Option Schemes are in line with Company's philosophy of sharing benefits of growth with the growth drivers and are in compliance with the applicable SEBI Regulations. The Company allotted 15,51,502 shares during the year to various employees who exercised their options. The Certificate from the Statutory Auditors confirming that the Scheme has been implemented in accordance with the SEBI Regulations and the resolution passed by the shareholders would be placed at the AGM for inspection by members.

Disclosures with respect to Stock Options, as required under Regulation 14 of the Regulations, are available in the **Annexure III** to this Report, Notes to the Financial Statements and can also be accessed on the Company's website at https://www.sterlitetech.com/downloads.html.

Particulars of Employees and Related Disclosures

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as **Annexure IV** to this Report.

A statement containing particulars of employees as required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided as a separate annexure forming part of this Report. However, the Annual Report is being sent to the members excluding the aforesaid annexure. The said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary or Registrar and Transfer Agent and the same will be furnished on request.

Extract of Annual Return

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9, is annexed herewith as **Annexure - V**.

Non-Convertible Debentures

As on March 31, 2019, the Company has outstanding Secured, Rated, Redeemable, Non-Convertible Debentures (NCDs) of ₹ 300 crores. The Company has maintained asset cover sufficient to discharge the principal amount along with outstanding Interest at all times for its NCDs. NCDs are listed on the debt segment of BSE Limited, as per the SEBI Guidelines and Listing Regulations.

The details of debenture trustee are as below–
Axis Trustee Services Limited
The Ruby, 2nd Floor, SW
29 Senapati Bapat Marg, Dadar West
Mumbai- 400 028
Contact No.: +91- 022-6230 0438

Credit Rating

The Company's financial discipline is reflected in the strong credit rating ascribed by ICRA/CRISIL:

Debt instrument	ICRA		CRISIL	
	Rating	Outlook	Rating	Outlook
Non-Convertible Debentures	AA	Stable	AA	Stable
Commercial Papers	A1+	NA	A1+	NA
Line of credit	AA	Stable	AA	Stable

Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as prescribed under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, are given as **Annexure VI** to this Report.

Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124 of the Act, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company to the Investor Education and Protection Fund established by Central Government. Details of unpaid and unclaimed amounts lying with the Company as on June 26, 2018 (date of last AGM) have been uploaded on the Company's website at https://www.sterlitetech.com/latest_disclosure

Transfer of 'Underlying Shares' to IEPF

In terms of Section 124(6) of the Act, read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has transferred the equity shares in respect of which dividends have remained unclaimed for a period of seven consecutive years to the IEPF Account established by the Central Government. Details of shares transferred have been uploaded on the website of the Company.

Corporate Social Responsibility

The Board has constituted Sustainability and Corporate Social Responsibility Committee ('CSR Committee') which comprises Mr. Arun Todarwal, Chairman, Mr. A.R. Narayanaswamy, Mr. Pravin Agarwal and Dr. Anand Agarwal, Members. The Board has also approved a CSR policy based on recommendations of CSR Committee, which is available on the website of the Company at https://www.sterlitetech.com/Code-of-Conduct-and-Policies

As part of its initiatives under Corporate Social Responsibility, the Company has undertaken projects in the areas of Education, Health, Women Empowerment and Community Development during FY19.

During the year, the Company has spent ₹ 5.48 crores on CSR activities. The Annual Report on CSR activities, in accordance with Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure VII** to this Report.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

a) The Company has not accepted any deposits from the public or otherwise in terms of Section 73 of the Act read with Companies (Acceptance of Deposit) Rules, 2014 and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the Balance Sheet.

b) Issue of equity shares with differential rights as to dividend, voting or otherwise.

c) The Whole-time Directors of the Company do not receive any remuneration or commission from any of its subsidiaries.

d) No significant or material orders were passed by the Regulators, Courts or Tribunals which impact the going concern status and Company's operations in future.

e) The Auditors have not reported any matter under Section 143 (12) of the Act, therefore no details are required to be disclosed under Section 134 (3)(ca) of the Act.

Acknowledgement

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. Your Directors take on record their deep sense of appreciation to the contributions made by the employees through their hard work, dedication, competence, support and co-operation towards the progress of your Company.

For and on behalf of the Board of Directors

Place: Pune	Pravin Agarwal	Anand Agarwal
Date: April 23, 2019	Vice Chairman & Whole-time Director	CEO & Whole-time Director

Annexure I

Dividend Distribution Policy

The Board of Directors (the "Board") of Sterlite Technologies Limited (the "Company" or "Sterlite"), has adopted the following policy on Dividend Distribution as required by Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as `Listing Regulations') at its meeting held on October 27, 2016.

1. Objective

The objective of this Policy is to ensure the right balance between the quantum of Dividend paid and amount of profits retained in the business for various purposes. Towards this end, the Policy lays down parameters to be considered by the Board of Directors of the Company for declaration of Dividend from time to time.

2. Philosophy

The philosophy of the Company is to maximise the shareholders' wealth in the Company through various means. The Company believes that driving growth creates maximum shareholder value. The Company will endeavour to maintain a Dividend Pay-Out of around 30% of profits after tax (PAT) on Consolidated Financials basis.

3. Regulatory Framework

The Securities and Exchange Board of India ("SEBI") on July 8, 2016 inserted Regulation 43A in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top five hundred listed companies (based on market capitalisation of every financial year) to formulate a Dividend Distribution Policy.

Sterlite Technologies Limited being one of the top five hundred listed companies as per the market capitalisation as on the last day of the immediately preceding financial year, frames this policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

4. Definitions

Unless repugnant to the context:

4.1. "Act" shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

4.2. "Applicable Laws" shall mean the Companies Act, 2o13 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

4.3 "Company or Sterlite Tech" shall mean Sterlite Technologies Limited.

4.4 "Board" or "Board of Directors" shall mean Board of Directors of the Company.

4.5 "Dividend" shall mean Dividend as defined under Companies Act, 2013.

4.6 "Policy or this Policy" shall mean the Dividend Distribution Policy.

4.7 "SEBI Regulations" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

4.8 Interpretation - Words and expressions used and not defined in this Policy but defined in Companies Act, 2013 or rules made thereunder or Securities and Exchange Board of India Act, 1992 or regulations made thereunder or Depositories Act, 1996 shall have the meanings respectively assigned to them in those Acts, Rules and Regulations.

5. Parameters for declaration of Dividend

5.1 In line with the philosophy stated above in Clause 2, the Board of Directors of the Company, shall consider the following parameters for declaration of Dividend:

5.1.1 Financial Parameters / Internal Factors / External Factors:

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

A) Consolidated net operating profit after tax;

B) Working capital requirements;

C) Capital expenditure requirements;

D) Resources required to fund acquisitions and / or new businesses;

E) Cash flow required to meet contingencies;

F) Outstanding borrowings;

G) Past Dividend Trends;

H) Prevailing legal requirements, regulatory conditions or restrictions laid down under the Applicable Laws including tax laws;

I) Dividend payout ratios of companies in the same industry;

J) Economic Viability;

5.2 Circumstances under which the shareholders may or may not expect Dividend:

The Board shall consider the parameters / factors provided above before declaring any dividend payout after analysing the prospective opportunities and threats, viability of the options of dividend payout or retention, etc. The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company. However, the shareholders of the Company may not expect Dividend under the following circumstances -

A) Whenever it undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital;

B) Significantly higher working capital requirements adversely impacting free cash flow;

C) Whenever it undertakes any acquisitions or joint ventures requiring significant allocation of capital;

D) Whenever it proposes to utilise surplus cash for buy-back of securities; or

E) In the event of inadequacy of profits or whenever the Company has incurred losses.

5.3 Utilisation of retained earnings:

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

5.4 Parameters adopted with regard to various classes of shares:

At present, the Share Capital of the Company comprises only of equity shares. As and when the Company issues other kind of shares, the Board of Directors may suitably amend this Policy.

6. Disclosure

The Company shall make appropriate disclosures as required under the SEBI Regulations.

7. General

This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities and Exchange Board of India or such other regulatory authority as may be authorised, from time to time, on the subject matter. The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

Annexure II

Secretarial Audit Report

For the Financial Year Ended 31 March, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To:
The Members,
Sterlite Technologies Limited,
E1, MIDC Industrial Area, Waluj,
Aurangabad – 431 136,
Maharashtra

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sterlite Technologies Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)**; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and 2018 **(Not applicable to the Company during the Audit Period)**.

(vi) No law is specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India; and

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

Place: Pune
Date: April 23, 2019

Dr. K. R. Chandratre
FCS No.: 1370, C. P. No.: 5144

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

Annexure to the Secretarial Audit Report

To:
The Members,
Sterlite Technologies Limited,
E1, MIDC Industrial Area, Waluj,
Aurangabad – 431 136,
Maharashtra

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events, etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test-check basis.

6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune
Date: April 23, 2019

Dr. K. R. Chandratre
FCS No.: 1370, C. P. No.: 5144

Annexure III

Details of Stock Options as on March 31, 2019

Statement as on March 31, 2019 for Employee Stock Option Scheme, 2010 as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Sr. No	Particulars	ESOP 2010 Scheme
1.	Date of Shareholders' approval	July 14, 2010
2.	Total Number of options approved	Upto 5% of the paid-up capital of the Company
3.	Vesting Requirements	1. The company achieving targets as per prescribed 2. continuous employment with the company Performance Criteria
4.	Source of shares	Primary
5.	Exercise price	Options vest at a nominal value of equity shares i.e. ₹ 2 per option
6.	Maximum term of options granted	Granted options would vest over a period of five years from the date of grant. Vested options are to be exercised within one year from the date of vesting
7.	Variation of terms of option	None
8.	Option movement during the year:	
	Number of options outstanding at the beginning of the year	50,50,978
	Number of options granted during the year	16,36,950
	Number of options forfeited/ lapsed during the year	5,22,248
	Number of options vested during the year	21,59,818
	Number of options exercised during the year	15,51,202
	Number of shares arising as a result of exercise of options	15,51,202
	Money realised by exercise of options (INR), if scheme is implemented directly by the Company	₹ 31,02,404/-
	Number of options outstanding at the end of the year	46,14,478
	Number of options exercisable at the end of the year	3,41,195
9.	Employee-wise details of options granted during FY19 to	
I.	Number of options granted to Senior Managerial Personnel	
	Dr. Anand Agarwal CEO & Whole-time Director	1,30,000
II.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Dr. Anand Agarwal
II.	Identified employees who were granted options during any one year, equal to or exceeding 1% of issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None
10.	Diluted earnings per share pursuant to issue of ordinary shares on exercise of Options calculated in accordance with Ind AS 33	₹ 13.16
11.	Method of Calculation of Employee Compensation Cost	The Company has used fair market value method for calculation of compensation cost, using the Black Scholes Option Pricing Model and Monte Carlo simulation model. Use of model is based on the related vesting conditions.
12.	Weighted average exercise price and weighted average fair values of Options granted for options whose exercise price either equals or exceeds or is less than the market price of the stock. Weighted Average exercise price (per option) Weighted Average Fair value (per option)	₹ 2 Grant I - ₹ 25.87 Grant II – ₹ 29.77 Grant III – ₹ 28.22 Grant IV – ₹ 48.66 Grant V- ₹ 79.99 Grant VI- ₹ 84.62 & ₹ 87.30 Grant VII – ₹ 103.94 Grant VIII- ₹ 162.87 & ₹ 92.90 Grant IX – ₹ 265.58 Grant X- ₹ 377.59 Grant XI – ₹ 291.97 & ₹ 134. 31 Grant XII- ₹ 286.53

13. Description of method and significant assumptions used during the year to estimate the fair values of options:

a) Assumptions under Black Scholes Option Pricing :

Details	Grants											
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII
1. Risk Free Interest rate (%)	8.33	8.04	8.66	7.84	7.22	6.50	6.12	6.20	6.27	6.54	7.03	6.88
2. Expected Life (yrs)	1.5	1.7	1.7	1.7	1.8	1.5	1.54	1.5	1.5	1.5	1.54	1.5
3. Expected Volatility (%)	48.31	53.93	44.41	51.55	55.34	50.28	47.02	37.00	42.75	43.28	44.79	44.64
4. Expected Dividend Yield (%)	0.73	0.79	0.79	0.59	0.72	1.14	0.47	2.20	1.90	1.30	1.04	0.69
5. Weighted Average Fair value (₹)	25.87	29.77	28.22	48.66	79.99	84.62	103.94	162.87	265.58	377.59	291.97	286.53

Assumptions used are as follows:

- Fair value of the options calculated by using Black-Scholes option pricing model.
- **Stock price:** The closing price on NSE as on the date of grant has been considered for valuing the options granted.
- **Expected Volatility:** The daily volatility of the stock prices on NSE till the date of grant corresponding with the expected life of the options has been considered to calculate the fair value of the options.
- **Risk free interest rate:** The risk free interest rate on the date of grant considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero coupon yield curve for Government Securities.
- **Time of Maturity/ Expected Life:** Time of Maturity/ Expected Life of option is the period for which the Company expects the option to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.
- **Expected dividend yield:** Expected dividend yield has been calculated on the dividend prior to the date of the grant.

b) Assumptions under Monte Carlo Simulation model

Vesting of options is dependent on the shareholder return during the performance period as compared to comparator group identified by Nomination and Remuneration Committee. The Monte Carlo model requires the following variables of the company and comparator group companies.

- Historical share price and expected volatility during the performance period
- Risk free interest rate of the country where stock of comparator group is listed
- Dividend yield based on historical dividend payments
- Estimate of correlation coefficients for each pair of company

Assumptions used are as follows:

Variables	Grant VIII	Grant XI
Price of underlying stock	₹ 172.30	₹ 301.75
Expected volatility	37.00%	44.79%
Risk Free rate	6.40%	7.03%
Exercise Price (per Option)	₹ 2.00	₹ 2.00
Dividend Yield	2.20%	1.04%
Fair Value of the option	₹ 92.90	₹ 134.31

Annexure IV

Statement of Disclosure of Remuneration

Information as required under the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. Remuneration disclosures for Executive Directors and Key Managerial Personnel (KMP) for the financial year ended March 31, 2019

₹ in crores

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2018-19	% increase in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director/KMP to median remuneration of employees
1	Mr. Pravin Agarwal Vice Chairman & Whole-time Director	14.34	4.5%	180
2	Dr. Anand Agarwal (KMP) CEO & Whole-time Director	12.40	23.5%	155
3	Mr. Anupam Jindal (KMP) Chief Financial Officer	3.44	23.7%	43
4	Mr. Amit Deshpande (KMP) Company Secretary & Corporate General Counsel	0.88	20.5%	11

Note: As the liability for leave encashment is provided on an actuarial basis for the Company as a whole, the said amounts are not included above. The remuneration of KMPs also includes perquisites value of Employee Stock Options (ESOPs) exercised, if any.

Details of remuneration paid to Independent Directors and other Non-Executive Directors are provided in the Corporate Governance Report, which forms a part of the Annual Report. Further, Independent and Non-Executive Directors received no remuneration, except sitting fees for attending Board / Committee meetings and commission, the required details are not applicable.

B. The percentage increase in the median remuneration of employees in the financial year is 9.79%.

C. The number of permanent employees on the rolls of company as on March 31, 2019 is 2588.

D. Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year viz. FY19 was 10.69%.

E. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Annexure V

Form No. MGT-9

Extract of Annual Return

as on the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

I	CIN	L31300MH2000PLC269261
Ii	Registration Date	March 24, 2000
Iii	Name of the Company	Sterlite Technologies Limited
iv	Category/Sub-category of the Company	Public Company / Limited by shares
v	Address of the Registered office & contact details	E1, MIDC Industrial Area Waluj Aurangabad - 431136, Maharashtra, INDIA Tel: +0240-2558400 Fax + 0240-2564598
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Fintech Private Limited (Unit – Sterlite Technologies Limited) Karvy Selenium Tower-B I Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally Hyderabad - 500 008 India Phone No.: +91 040 67161524 E-mail: einward.ris@karvy.com

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the company
1	Optical Fibre including cable & laying services	27310	80.67%

* As per National Industrial Classification - 2008, Ministry of Statistics and Programme Implementation.

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name And Address Of The Company	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section	CIN
1	**Twin Star Overseas Ltd** 33, Edith Cavell Street, Port-Louis, 11324, Mauritius	Holding	52.02%	2(46)	NA
2	**Speedon Network Limited** Survey No. 68/1, Rakholi Village, Madhuban Dam Road, Silvassa, Dadara and Nagar Haveli – 396 230	Subsidiary	100%	2 (87)	U32202DN2011PLC000373
3	**Sterlite Telesystems Limited** Survey No. 68/1, Rakholi Village, Madhuban Dam Road, Silvassa Dadar & Nagar Haveli – 396230, India	Subsidiary	100%	2 (87)	U64200DN2015PLC000481
4	**Maharashtra Transmission Communication Infrastructure Ltd.** Prakashganga, Plot No C 19, E Block Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra India	Subsidiary	59.47%	2 (87)	U64201MH2012PLC234316

Sr. No.	Name And Address Of The Company	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section	CIN
5	**Sterlite Tech Connectivity Solutions Limited** Plot No 33/1/1, Waghadara Road, Dadra, Silvasa Silvasa Dadra & Nagar Haveli – 396230, India	Subsidiary	100%	2 (87)	U74999DN2018PLC005557
6	**Sterlite Innovative Solutions Limited** E 2, MIDC, Waluj, Aurangabad – 431 133, Maharashtra, India	Subsidiary	100%	2 (87)	U74999MH2018PLC310212
7	**Elitecore Technologies (Mauritius) Limited** 9th Floor, EbeneTower, 52, Cybercity, Ebene Mauritius	Subsidiary	100%	2 (87)	NA
8	**Elitecore Technologies Sdn Bhd.** Level 2, No. 11, Jalan PJU 1A/41B, NZX Commercial Centre, Ara Jaya, 47301, Petaling Jaya, Selangor, Malaysia	Subsidiary	100%	2 (87)	NA
9	**Sterlite Technologies S.p.A** Via del Vecchio Politecnico n. 9, 20121, Milan Italy	Subsidiary	100%	2 (87)	NA
10	**Metallurgica Bresciana S.p.A** Dello (Brescia -Italy) Via Marconi 31, Italy	Subsidiary	100%	2 (87)	NA
11	**Sterlite Global Ventures (Mauritius) Ltd** 33, Edith Cavell Street, Port-Louis, 11324, Mauritius	Subsidiary	100%	2 (87)	NA
12	**Sterlite Technologies UK Ventures Limited** Third Floor, 126-134 Baker Street, London W1U 6UE, UK	Subsidiary	100%	2 (87)	NA
13	**Jiangsu Sterlite Tonggaung Fiber Co. Ltd** 777 Beihai Beihai Rd, Haimen Town, Hai Men City, Jiangsu, China	Subsidiary	75%	2 (87)	NA
14	**Sterlite Conduspar Industrial Ltda** Sao Jose dos Pinhais, State of Parana, at Rua Dr. Muricy, 4000, Barracoa Fundos, Bairro Coesteria, CEP 83015 – 290, Brazil	Subsidiary	58.05%	2 (87)	NA
15	**Sterlite (Shanghai) Trading Company Limited** 1902 Far East International Plaza, 317 Xian Xia Road Shanghai 200051, China	Subsidiary	100%	2 (87)	NA
16	**Sterlite Tech Holding Inc.** 1555 Heron Bay Blvd. Coral Springs, Florida - 33076 USA	Subsidiary	100%	2 (87)	NA
17	**Sterlite Technologies Inc.** 1555 Heron Bay Blvd. Coral Springs, Florida - 33076 USA	Subsidiary	100%	2 (87)	NA

I. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Sr. No.	Category of Shareholder	No. of shares held at the beginning of the year April 1, 2018				No. of shares held at the end of the year March 31, 2019				% Change During the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% Of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**Promoter and Promoter Group**									
(1)	**Indian**									
(a)	Individual /HUF	24,28,556	-	24,28,556	0.61	24,40,176	-	24,40,176	0.61	0.00
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	47,64,295	-	47,64,295	1.19	47,64,295	-	47,64,295	1.18	(0.01)
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	**71,92,851**	**-**	**71,92,851**	**1.80**	**72,04,471**	**-**	**72,04,471**	**1.79**	**(0.01)**
(2)	**Foreign**									
(a)	Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	20,94,02,750	-	20,94,02,750	52.22	20,94,02,750	-	20,94,02,750	52.03	(0.19)
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	**20,94,02,750**	**-**	**20,94,02,750**	**52.22**	**20,94,02,750**	**-**	**20,94,02,750**	**52.03**	**(0.19)**
	Total A=A(1)+A(2)	**21,65,95,601**	**-**	**21,65,95,601**	**54.02**	**21,66,07,221**	**-**	**21,65,95,601**	**53.82**	**(0.20)**
(B)	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds /UTI	3,04,47,289	0	3,04,47,289	7.59	3,73,30,005	0	3,73,30,005	9.27	1.68
(b)	Financial Institutions / Banks	7,40,350	2,530	7,42,880	0.19	10,07,936	3,030	10,10,966	0.25	0.07
(c)	Central Government / State Government(s)	500	0	500	0.00	500	0	500	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	1,37,79,296	0	1,37,79,296	3.44	52,21,535	0	52,21,535	1.30	(2.14)
(f)	Foreign Institutional Investors	3,13,718	0	3,13,718	0.08	3,21,352	0	3,21,352	0.08	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Foreign Portfolio Investors	3,38,02,347	0	3,38,02,347	8.43	2,38,67,629	0	2,38,67,629	5.93	(2.50)
(j)	Others	0	0	0	0	0	0	0	0	0.00
	Sub-Total B(1) :	**7,90,83,500**	**2,530**	**7,90,86,030**	**19.72**	**6,77,48,957**	**3,030**	**6,77,51,987**	**16.83**	**(2.89)**
(2)	**Non-Institutions**									
(a)	Bodies Corporate	1,17,84,535	11,555	1,17,96,090	2.94	1,48,09,627	10,505	1,48,20,132	3.68	0.74
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	6,34,82,098	38,08,753	6,72,90,851	16.78	7,40,78,879	30,70,074	7,71,48,953	19.17	2.38
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	1,85,80,649	76,360	1,86,57,009	4.65	1,70,97,799	76,360	1,71,74,159	4.27	(0.39)
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Others									

Sr. No.	Category of Shareholder	No. of shares held at the beginning of the year April 1, 2018				No. of shares held at the end of the year March 31, 2019				% Change During the Year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% Of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
	NBFC	85,521	0	85,521	0.02	1,57,691	0	1,57,691	0.04	0.02
	Clearing Members	4,66,787	0	4,66,787	0.12	7,25,683	0	7,25,683	0.18	0.06
	Directors	8,94,825	0	8,94,825	0.22	9,79,190	0	9,79,190	0.24	0.02
	Foreign Nationals	1,37,677	0	1,37,677	0.03	13,850	0	13,850	0.00	(0.03)
	I E P F	30,12,826	0	30,12,826	0.75	33,43,380	0	33,43,380	0.83	0.08
	Non Resident Indians	18,20,514	2,67,975	20,88,489	0.52	24,70,874	2,03,630	26,74,504	0.66	0.14
	NRI Non-Repatriation	7,54,805	0	7,54,805	0.19	10,62,663	0	10,62,663	0.26	0.08
	Trusts	48,810	500	49,310	0.01	7,110	500	7,610	0.00	(0.01)
	Sub-Total B(2) :	**10,10,69,047**	**41,65,143**	**10,52,34,190**	**26.24**	**11,47,46,746**	**33,61,069**	**11,81,07,815**	**29.34**	**3.10**
	Total B=B(1)+B(2) :	**18,01,52,547**	**41,67,673**	**18,43,20,220**	**45.97**	**18,24,95,703**	**33,64,099**	**18,58,59,802**	**46.17**	**0.21**
	Total (A+B) :	**39,67,48,148**	**41,67,673**	**40,09,15,821**	**99.98**	**39,91,02,924**	**33,64,099**	**40,24,67,023**	**99.98**	**0.00**
(C)	**Shares held by custodians, against which Depository Receipts have been issued**									
(1)	Promoter and Promoter Group									
(2)	Public	74,700	0	74,700	0.02	74,700	0	74,700	0.02	0.00
GRAND TOTAL (A+B+C):		**39,68,22,848**	**41,67,673**	**40,09,90,521**	**100.00**	**39,91,77,624**	**33,64,099**	**40,25,41,723**	**100.00**	

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year March 31, 2018			Shareholding at the end of the year March 31, 2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Twin Star Overseas Ltd	20,94,02,750	52.22	37.20	20,94,02,750	52.02	52.02	(0.20)

Note:- The Company has published details of only Promoter Category which is decided as per the declaration received under Regulation 30 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulation, 2011

iii) Change in Promoters' Shareholding (please specify, if there is no change):- There is no change in the Promoters' Shareholding during FY19.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Name of the Share Holder	Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
LIFE INSURANCE CORPORATION OF INDIA	1,32,54,197	3.31				1,32,54,197	3.31
			06/04/2018	(9,85,770)	Transfer	1,22,68,427	3.06
			13/04/2018	(9,68,338)	Transfer	1,13,00,089	2.82
			20/04/2018	(15,67,770)	Transfer	97,32,319	2.43
			27/04/2018	(4,78,122)	Transfer	92,54,197	2.31

Name of the Share Holder	Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
			11/05/2018	(5,94,859)	Transfer	86,59,338	2.16
			21/12/2018	(6,93,224)	Transfer	79,66,114	1.98
			28/12/2018	(4,11,414)	Transfer	75,54,700	1.88
			31/12/2018	(25,000)	Transfer	75,29,700	1.87
			04/01/2019	(5,28,831)	Transfer	70,00,869	1.74
			11/01/2019	(9,84,461)	Transfer	60,16,408	1.50
			18/01/2019	(4,95,707)	Transfer	55,20,701	1.37
			25/01/2019	(7,99,183)	Transfer	47,21,518	1.17
			01/02/2019	(20,821)	Transfer	47,00,697	1.17
			31/03/2019		**At the end of the year**	**47,00,697**	**1.17**
DSP BLACKROCK EQUITY & BOND FUND	**1,11,16,331**	**2.77**				**1,11,16,331**	**2.77**
			27/07/2018	11,56,467	Transfer	1,22,72,798	3.06
			17/08/2018	1,93,254	Transfer	1,24,66,052	3.10
			24/08/2018	(45,085)	Transfer	1,24,20,967	3.09
			31/08/2018	(2,96,358)	Transfer	1,21,24,609	3.02
			07/09/2018	3,00,634	Transfer	1,24,25,243	3.09
			14/09/2018	2,23,740	Transfer	1,26,48,983	3.15
			21/09/2018	73,481	Transfer	1,27,22,464	3.17
			28/09/2018	3,07,803	Transfer	1,30,30,267	3.24
			05/10/2018	69,900	Transfer	1,31,00,167	3.26
			12/10/2018	2,65,395	Transfer	1,33,65,562	3.32
			19/10/2018	660	Transfer	1,33,66,222	3.32
			26/10/2018	1,500	Transfer	1,33,67,722	3.32
			02/11/2018	(5,73,919)	Transfer	1,27,93,803	3.18
			16/11/2018	(22,850)	Transfer	1,27,70,953	3.17
			23/11/2018	(3,37,239)	Transfer	1,24,33,714	3.09
			30/11/2018	(26,153)	Transfer	1,24,07,561	3.08
			14/12/2018	(28,09,540)	Transfer	95,98,021	2.39
			21/12/2018	(9,16,806)	Transfer	86,81,215	2.16
			28/12/2018	(98,710)	Transfer	85,82,505	2.13
			01/02/2019	26,755	Transfer	86,09,260	2.14
			08/02/2019	22,504	Transfer	86,31,764	2.14
			15/02/2019	2,00,000	Transfer	88,31,764	2.19
			22/02/2019	2,36,234	Transfer	90,67,998	2.25
			29/03/2019	61,535	Transfer	91,29,533	2.27
			31/03/2019		**At the end of the year**	**91,29,533**	**2.27**
L AND T MUTUAL FUND TRUSTEE LTD-L AND T MONTHLY IN	**93,75,651**	**2.34**				**93,75,651**	**2.34**
			06/04/2018	4,12,154	Transfer	97,87,805	2.44
			13/04/2018	1,83,873	Transfer	99,71,678	2.49
			20/04/2018	3,02,578	Transfer	1,02,74,256	2.56
			04/05/2018	1,80,032	Transfer	1,04,54,288	2.61
			11/05/2018	38,952	Transfer	1,04,93,240	2.62
			15/06/2018	11,79,861	Transfer	1,16,73,101	2.91
			22/06/2018	1,39,299	Transfer	1,18,12,400	2.94
			29/06/2018	3,32,305	Transfer	1,21,44,705	3.02
			06/07/2018	3,27,502	Transfer	1,24,72,207	3.11
			27/07/2018	4,18,800	Transfer	1,28,91,007	3.21
			31/08/2018	1,69,000	Transfer	1,30,60,007	3.25
			28/09/2018	55,920	Transfer	1,31,15,927	3.27
			05/10/2018	91,636	Transfer	1,32,07,563	3.28
			12/10/2018	1,00,000	Transfer	1,33,07,563	3.31
			19/10/2018	65,838	Transfer	1,33,73,401	3.32

Name of the Share Holder	Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
			26/10/2018	2,90,199	Transfer	1,36,63,600	3.40
			02/11/2018	1,78,000	Transfer	1,38,41,600	3.44
			16/11/2018	(50,853)	Transfer	1,37,90,747	3.43
			23/11/2018	91,800	Transfer	1,38,82,547	3.45
			30/11/2018	1,36,000	Transfer	1,40,18,547	3.48
			21/12/2018	3,24,000	Transfer	1,43,42,547	3.56
			28/12/2018	23,377	Transfer	1,43,65,924	3.57
			31/12/2018	1,35,337	Transfer	1,45,01,261	3.60
			11/01/2019	1,00,000	Transfer	1,46,01,261	3.63
			25/01/2019	1,24,800	Transfer	1,47,26,061	3.66
			01/02/2019	1,00,000	Transfer	1,48,26,061	3.68
			15/03/2019	(6,02,968)	Transfer	1,42,23,093	3.53
			22/03/2019	(15,70,370)	Transfer	1,26,52,723	3.14
			29/03/2019	(5,33,378)	Transfer	1,21,19,345	3.01
			31/03/2019	**At the end of the year**		**1,21,19,345**	**3.01**
RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE CAPI	**50,12,500**	**1.25**				**50,12,500**	**1.25**
			06/04/2018	12,500	Transfer	50,25,000	1.25
			08/06/2018	62,000	Transfer	50,87,000	1.27
			15/06/2018	3,00,000	Transfer	53,87,000	1.34
			13/07/2018	(1,00,000)	Transfer	52,87,000	1.32
			20/07/2018	(1,25,000)	Transfer	51,62,000	1.29
			27/07/2018	(1,25,000)	Transfer	50,37,000	1.25
			10/08/2018	(1,00,000)	Transfer	49,37,000	1.23
			02/11/2018	(1,43,000)	Transfer	47,94,000	1.19
			07/12/2018	(37,000)	Transfer	47,57,000	1.18
			01/02/2019	3,027	Transfer	47,60,027	1.18
			08/02/2019	13,037	Transfer	47,73,064	1.19
			22/02/2019	7,001	Transfer	47,80,065	1.19
			01/03/2019	45	Transfer	47,80,110	1.19
			08/03/2019	11,660	Transfer	47,91,770	1.19
			15/03/2019	1,568	Transfer	47,93,338	1.19
			15/03/2019	(10,000)	Transfer	47,83,338	1.19
			22/03/2019	1,10,450	Transfer	48,93,788	1.22
			29/03/2019	1,592	Transfer	48,95,380	1.22
			31/03/2019	**At the end of the year**		**48,95,380**	**1.22**
AKASH BHANSHALI	**28,54,542**	**0.71**				**28,54,542**	**0.71**
			01/03/2019	(7,00,000)	Transfer	21,54,542	0.54
			31/03/2019	**At the end of the year**		**21,54,542**	**0.54**
SYDINVEST	**22,33,322**	**0.56**				**22,33,322**	**0.56**
			06/04/2018	(2,24,964)	Transfer	20,08,358	0.50
			13/04/2018	(86,286)	Transfer	19,22,072	0.48
			20/04/2018	(94,590)	Transfer	18,27,482	0.46
			22/06/2018	(2,81,809)	Transfer	15,45,673	0.38
			29/06/2018	(1,13,427)	Transfer	14,32,246	0.36
			13/07/2018	(4,25,016)	Transfer	10,07,230	0.25
			20/07/2018	(3,90,763)	Transfer	6,16,467	0.15
			03/08/2018	1,04,364	Transfer	7,20,831	0.18
			17/08/2018	1,68,605	Transfer	8,89,436	0.22
			05/10/2018	46,908	Transfer	9,36,344	0.23
			12/10/2018	67,505	Transfer	10,03,849	0.25
			26/10/2018	(1,47,183)	Transfer	8,56,666	0.21
			09/11/2018	(3,18,043)	Transfer	5,38,623	0.13

Name of the Share Holder	Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
			21/12/2018	4,47,932	Transfer	9,86,555	0.25
			11/01/2019	2,16,710	Transfer	12,03,265	0.30
			18/01/2019	2,54,960	Transfer	14,58,225	0.36
			25/01/2019	1,87,851	Transfer	16,46,076	0.41
			01/02/2019	(2,00,950)	Transfer	14,45,126	0.36
			08/02/2019	(2,31,925)	Transfer	12,13,201	0.30
			15/02/2019	(1,95,868)	Transfer	10,17,333	0.25
			15/03/2019	(1,76,596)	Transfer	8,40,737	0.21
			22/03/2019	(2,38,358)	Transfer	6,02,379	0.15
			31/03/2019	**At the end of the year**		**6,02,379**	**0.15**
BLACKROCK INDIA EQUITIES (MAURITIUS) LIMITED	**22,00,108**	**0.55**				**22,00,108**	**0.55**
			15/06/2018	(4,13,113)	Transfer	17,86,995	0.45
			22/06/2018	(17,86,995)	Transfer	-	0.00
			31/03/2019	**At the end of the year**		**-**	**0.00**
VALLABH BHANSHALI	**21,78,100**	**0.54**				**21,78,100**	**0.54**
			15/02/2019	1,50,000	Transfer	23,28,100	0.58
			29/03/2019	2,38,000	Transfer	25,66,100	0.64
			30/03/2019	**At the end of the year**		**25,66,100**	**0.64**
ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C	**16,92,200**	**0.42**				16,92,200	0.42
			06/04/2018	25,000	Transfer	17,17,200	0.43
			13/04/2018	25,000	Transfer	17,42,200	0.43
			20/04/2018	90,000	Transfer	18,32,200	0.46
			27/04/2018	(76,000)	Transfer	17,56,200	0.44
			04/05/2018	50,000	Transfer	18,06,200	0.45
			18/05/2018	80,000	Transfer	18,86,200	0.47
			25/05/2018	(2,26,500)	Transfer	16,59,700	0.41
			01/06/2018	5,06,700	Transfer	21,66,400	0.54
			08/06/2018	3,85,000	Transfer	25,51,400	0.64
			08/06/2018	(3,50,000)	Transfer	22,01,400	0.55
			15/06/2018	14,67,000	Transfer	36,68,400	0.91
			22/06/2018	15,25,000	Transfer	51,93,400	1.29
			29/06/2018	50,000	Transfer	52,43,400	1.31
			06/07/2018	1,15,000	Transfer	53,58,400	1.33
			13/07/2018	88,200	Transfer	54,46,600	1.36
			20/07/2018	96,800	Transfer	55,43,400	1.38
			10/08/2018	1,09,800	Transfer	56,53,200	1.41
			10/08/2018	(50,000)	Transfer	56,03,200	1.40
			14/09/2018	(30,000)	Transfer	55,73,200	1.39
			21/09/2018	2,40,200	Transfer	58,13,400	1.45
			05/10/2018	(1,00,000)	Transfer	57,13,400	1.42
			12/10/2018	2,08,000	Transfer	59,21,400	1.47
			19/10/2018	(45,000)	Transfer	58,76,400	1.46
			26/10/2018	(6,267)	Transfer	58,70,133	1.46
			02/11/2018	(25,000)	Transfer	58,45,133	1.45
			09/11/2018	(93,477)	Transfer	57,51,656	1.43
			23/11/2018	2,83,000	Transfer	60,34,656	1.50
			23/11/2018	(1,00,000)	Transfer	59,34,656	1.48
			30/11/2018	(20,000)	Transfer	59,14,656	1.47
			21/12/2018	50,000	Transfer	59,64,656	1.48
			18/01/2019	(52,000)	Transfer	59,12,656	1.47
			08/02/2019	3,50,000	Transfer	62,62,656	1.56

Name of the Share Holder	Shareholding at the beginning of the Year					Cumulative Shareholding during the Year	
	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
			08/02/2019	(1,01,000)	Transfer	61,61,656	1.53
			15/02/2019	1,39,000	Transfer	63,00,656	1.57
			15/02/2019	(1,83,500)	Transfer	61,17,156	1.52
			22/02/2019	50,000	Transfer	61,67,156	1.53
			01/03/2019	36,000	Transfer	62,03,156	1.54
			08/03/2019	10,000	Transfer	62,13,156	1.54
			22/03/2019	(3,50,000)	Transfer	58,63,156	1.46
			31/03/2019		**At the end of the year**	**58,63,156**	**1.46**
EMERGING MARKETS CORE EQUITY PORT-FOLIO	**16,48,718**	**0.41**				**16,48,718**	**0.41**
			21/12/2018	(15,378)	Transfer	16,33,340	0.41
			28/12/2018	(56,431)	Transfer	15,76,909	0.39
			31/03/2019		**At the end of the year**	**15,76,909**	**0.39**
HSBC INFRASTRUCTURE EQUITY FUND	-	**0.00**				-	**0.00**
			02/11/2018	450,000	Transfer	4,50,000	0.11
			14/12/2018	100,000	Transfer	5,50,000	0.14
			21/12/2018	55,000	Transfer	6,05,000	0.15
			04/01/2019	50,000	Transfer	6,55,000	0.16
			15/02/2019	2,00,000	Transfer	8,55,000	0.21
			22/02/2019	2,98,915	Transfer	11,53,915	0.29
			01/03/2019	1,26,085	Transfer	12,80,000	0.32
			31/03/2019		**At the end of the year**	**12,80,000**	**0.32**
BLUE DAIMOND PROPERTIES PVT LTD	-	**0.00**				-	**0.00**
			01/02/2019	1,09,189	Transfer	1,09,189	0.03
			08/02/2019	7,79,637	Transfer	8,88,826	0.22
			15/02/2019	58,949	Transfer	9,47,775	0.24
			22/02/2019	50,000	Transfer	9,97,775	0.25
			01/03/2019	40,000	Transfer	10,37,775	0.26
			08/03/2019	80,185	Transfer	11,17,960	0.28
			31/03/2019		**At the end of the year**	**11,17,960**	**0.28**
LATA BHANSHALI	**9,85,846**	**0.25**				**9,85,846**	**0.25**
			19/10/2018	975,000	Transfer	19,60,846	0.49
			19/10/2018	(9,75,000)	Transfer	9,85,846	0.25
			31/03/2019		**At the end of the year**	**9,85,846**	**0.24**

Note: The above information is based on the weekly beneficiary positon received from depositaries.

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding at the beginning of the year April 1, 2018		Change during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the compa-ny	Date	Increase/ Decrease in shareholding	Reason	No. of shares	% of total shares of the company
1	Anil Agarwal - Chairman	Nil	Nil	No change during the year			Nil	Nil
2	Pravin Agarwal – Vice-Chairman	11,29,750	0.28	No change during the year			11,29,750	0.28
3	Arun Todarwal - Independent Director	1,925	0.00	19/12/2018	125	Transfer	1,800	0.00
				01/02/2019	500	Purchase	2,300	0.00
4	A R Narayanaswamy - Independent Director	Nil	Nil	07/12/2018	500	Purchase	500	0.00
				01/02/2019	500	Purchase	1,000	0.00
5	Sandip Das- Independent Director	3,420	0.00	No change during the year			3,420	0.00
6	Avaantika Kakkar – Independent Director*	Nil	Nil	No change during the year			Nil	Nil
7	Kumud Srinivasan – Independent Director**	Nil	Nil	No change during the year			Nil	Nil
8	Pratik Agarwal – Non-Executive Director	1,18,340	0.03	No change during the year			1,18,340	0.03
9	Anand Agarwal (KMP) – CEO & Whole-time Director	8,92,900	0.22	14/06/2018	28,070	ESOP	9,20,970	0.21
				25/07/2018	35,000	ESOP	9,55,970	0.22
				17/08/2018	50,000	Market Sale	9,05,970	0.24
				21/09/2018	40,500	ESOP	9,46,470	0.23
				19/11/2018	26,000	ESOP	9,72,470	0.24
10	Anupam Jindal (KMP) – Chief Financial Officer	1,78,420	0.04	26/04/2018	65,577	ESOP	2,43,997	0.06
11	Amit Deshpande (KMP) – Company Secretary	34,274	0.01	19/11/2018	9,998	ESOP	44,272	0.01

* Ms. Avaantika Kakkar ceased to be a Director effective from May 22, 2018.

**Ms. Kumud Srinivasan was appointed as Director effective from May 22, 2018.

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

₹ in crores

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,113.20	50.00	-	1,163.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.68	-	-	6.68
Total (i+ii+iii)	1,119.88	50.00	-	1,169.88
Change in Indebtedness during the financial year				
• Addition	990.09	900.00		1,890.09
• Reduction	1,020.00	550.00		1,570.00
Net Change	(29.91)	350.00	-	320.09
Indebtedness at the end of the financial year				
i) Principal Amount	1,086.85	400.00		1,486.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.12			3.12
Total (i+ii+iii)	**1,089.97**	**400.00**	**-**	**1,489.97**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

₹ in lakhs

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		
		Mr Pravin Agarwal	Dr Anand Agarwal	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	1,275.39	796.79	2,072.18
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	82.11	401.98	484.09
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	#	-
3	Sweat Equity	-		-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify			
	Superannuation (LIC)	1.00	-	1.00
	Gratuity	21.92	12.69	34.62
	Provident Fund - Employer contribution	53.98	28.08	82.06
	Total (A)	1,434.40	1,239.54	2,673.94
	Ceiling as per the Act	₹ 8,398 lakhs (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

#Details of Stock Options are mentioned in details of Shareholding of Directors and Key Managerial Personnel in Point IV (v)

B. Remuneration to other directors:

₹ in lakhs

Sl. No.	Particulars of Remuneration	Name of Director							
		Arun Todarwal	AR Narayanaswamy	C V Krishnan*	Avaantika Kakkar@	Sandip Das**	Kumud Srinivasan#	Pratik Agarwal	Total Amount
1	**Independent Directors**								
	• Fee for attending board committee meetings	9.00	6.50	0.00	0.75	7.25	3.25	NA	26.75
	• Commission	15.00	15.00	7.50	15.00	7.50	NA	NA	60.00
	• Others, please specify	-	-	-	-	-	-	-	-
	Total (1)	**24.00**	**21.50**	**7.50**	**15.75**	**14.75**	**3.25**	**0.00**	**86.75**
2	**Other Non-executive Directors**								
	• Fee for attending board committee meetings	-	-	-	-	-	-	2.00	2.00
	• Commission								
	• Others, please specify							15.00	15.00
	Total (2)	**-**	**-**	**-**	**-**			**17.00**	**17.00**
	Total Managerial Remuneration Total = (1+2)	**24.00**	**21.50**	**7.50**	**15.75**	**14.75**	**3.25**	**17.00**	**103.75**
	Overall Ceiling as per the Act	₹ 840 lakhs (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)							

*Mr. C V Krishnan ceased to be a Director effective from October 16, 2017.

**Mr. Sandip Das was appointed as a Director effective from October 16, 2017

#Ms. Kumud Srinivasan appointed as an independent director from May 22, 2018

@Mr. Avantika Kakkar resigned from directorship effective May 22, 2018

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

₹ in lakhs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	Company Secretary	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	796.79	197.52	53.64	1047.95
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	401.98	139.07	31.62	572.67
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	#	#	#	
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify				
	Superannuation (LIC)	-	-	-	-
	Gratuity	12.69	2.30	0.67	15.66
	Provident Fund - Employer contribution	28.08	5.56	1.64	35.28
	Total	**1,239.53**	**344.45**	**87.57**	**1,671.55**

 # Details of Stock Options are mentioned in details of Shareholding of Directors and Key Managerial Personnel in Point IV (v)

VII. Penalties/Punishment/Compounding of Offences – Nil

Annexure VI

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014 for the year ended March 31, 2019.

A. Conservation of energy

1. The steps taken or impact on conservation of energy:

a. Installation of LED lamps at service floor, optimisation of other lights & motion sensors for lighting lead to electricity consumption.

b. Variable frequency drive in HVAC & optimisation of Chilled water network for chilled water operations are, generating a saving of approx. 1000 units per day.

c. Installation of auto control to restrict the air loss.

d. Installation of Air Boosters in buffering area to scrap and improved productivity with lower compressed air consumption.

e. Replacement of all DC motors by AC motors for power saving.

f. Installation of DG Synchronization Unit for optimisation of power consumption.

g. Introduction of Condition based monitoring to reduce Breakdowns, improve productivity.

h. Initiation of RCM (reliability cantered maintenance) of Utility systems.

i. Initiated Automation in DG sets electrical panels to reduce start up time during power failure.

2. The steps taken by the Company for utilising alternate sources of energy

a. Preliminary feasibility study of adopting solar power initiated for Optic Fibre Plants.

b. Initiated 300 KVA Roof top solar systems with auto cleaning of panels.

c. Recycling and reuse of water in different processes in plants.

d. Initiated procurement of High Recovery RO.

e. Initiated SCADA for complete Utility to increase efficiency to rated level.

f. Installation of transparent roof sheet in shop-floor for more to increase the illumination level & to reduce the usage of overhead lights in day time.

3. The capital investment on energy conservation equipment

a. New high speed & advanced machines with multi product capability are procured to increase productivity with minimum scrap and which are capable of producing multiple products without increase in the energy consumptions.

b. Replacing the Old DC motor with High efficiency AC Motor to improve to reduce the energy Consumption.

c. It is planned to procure Solar panels of 300 KVA.

B. Technology Absorption

1. The efforts made towards technology absorption

a. Bus coupler operations of the transformers, which are running in parallel, where enhanced with adoption of automatic changeover scheme at Power control center benefiting fault level reduction & safe operation.

b. Replacing aged LT switchgears, adopted new technology of ABB- MNS design panels with benefits of drawing out feeders enabling quick changeovers.

c. Reduced losses in water recycling capacity of treated water from Multi Effect Evaporator-MEE Unit (ETP) by adopting cold weld technology of Belzona for leakage arresting.

d. Adoption of Steam Boilers with LNG fuel technology instead of Furnace oil boiler & replaced hydrogen with LNG in the production machines.

e. Replacing HVAC old AHUs, adopted new direct drive technology in AHU's reducing the net power consumption.

f. Initiation of Automation in Environmental chambers to utilise with Coil coolers.

g. Installation of centralised SCADA system for Utility section.

h. Barcode job card automation for Bobbin tracking systems for buffering.

i. Temperature based cooling tower control is initiated.

j. Improved line speed in Buffering from 600 to 750 mpm.

k. Installation of closed loop heat exchanger system to reduce chilled water losses.

l. Initiation of Diesel consumption optimisation by use of dual trigger APFC relay for reactive power compensation during DG set operation.

m. Initiated implementation of ECO mode in UPS system through parallel operation of UPS to reduce power consumption by 12.5 lakhs units per year.

2. The benefits derived like product improvement, cost reduction, product development or import substitution

a. Our primary product 652D fiber scrap reduced from 14% to 10% resulting in additional volume and reduction in product cost.

b. In house fluorination to substitute Import of Flourine doped tube for our New product G 657A2 for Europe market. This project may completely substitute high value Fluorine doped tube imports in future.

c. In-house cladding for G657 A2 to substitute high cost Rod In Cylinder (RIC) collapsed preform and Shinitsu made preform. This project will replace costly G657 A2 glass purchase to cater to demand upto 15 mn per annum.

d. New Product G 657A2 scaled up to 10 Mn run rate enabling presence of approximate 40% in FTTH France market. Total road map available upto 30 Mn scale up as per market need.

e. Designed and built take up and preform feed in-house with additional features and integrated with the existing towers.

f. Upgraded control system to Programmable Logic Control system, designed and executed by Indian partner instead of importing new machines.

g. Successful trial taken to manufacture G657 A2 under 200 microns diameter to help our cable plants to launch new products by increasing the fiber count in the available cable space.

Product Development

At Optic Fiber Cables (OFC), below new products were developed:

TruRibbon –"Highest fiber density in the most compact cable package "The patented technology of our Revolutionary TruRibbon Cables makes the individual ribbons very flexible, easy to strip and handle, thus enabling first-time-right splicing.

Rugged-micro duct_432F - for Dual purpose Blow/Pull for Trunk fiberisation.

Next Gen Micro cable _576F (24F*(9+15)LT) - Microcable with improved duct to cable fill ratio and right-of-way utilisation. This design utilises re-Engineered buffer tube material for optimum cable packing efficiency. Our cable can easily be blown into microducts of 13mm and above.

72F NextGen Micro Overblowing - 72F overblow cable boosts network capability without much CapEx investment and this cable deploys nearly 500 m. cable in 15 minutes.

NextGen Microcable_432F (24F*(6+12)LT) - Our Patented product provides maximum fibres in a Microcable with improved duct to cable fill ratio and right-of-way utilisation. This design utilises re-engineered buffer tube material for optimum cable packing efficiency. Our cable can easily blown into microducts of 10mm and above.

Construction Products Regulations (CPR) certification – Successfully conducted Product testing and Factory Production Control audit at our Silvassa vicinity for OFC and speciality cable divisions.

Flexi Armor Cable - "Fast and Efficient underground network rollout" , Scalable cable design enabling lesser time to market with a 25% Lighter Ease of Handling & Improved Blowing efficiency of 16% Reduced Diameter as compared with conventional armor cable.

48F Indicium cable - Successful field trials in aerial installation by LGI.

Re-invented ADSS cable with GRY - Suitable for span lengths of 80 meter which can comply stringent tests like 1mn Galloping test and 10mn Aeolian vibration test.

Simulation capabilities for optical fiber cables - OFC plant added significant value for the Indian cable industry by incorporating engineering simulations into cable research programs. Adding this capability into the hands of optical fiber cable researchers would results in developing world class optical fiber cables in India. OFC plant started utilising this ability for new cable development.

Optic Fiber

Keeping the customer centric approach and address the fueling demand for TruRibbon and Microcable Sterlite®

developed the two next generation reduced diameter optical fiber product which is compliant to ITU 657A2 and ITU G.657A1/D. Next generation MICRO BOW-LIT(E) Single Mode Optical Fiber is a reduced coating diameter with ultralow bend sensitivity. Sterlite® MICRO BOW-LITETM (E) is ideal for market requirement of Access and Fiber To The Home (FTTH) applications particularly in-building use and in cables with high fiber counts and lower diameter micro cable and TruRibbon. Sterlite next generation reduced diameter product enables optical fiber cable designer to go for high density, reduced diameter TruRibbon and Microcable.

3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) – Not Applicable

a. The details of technology imported

b. The year of import

c. Whether the technology been fully absorbed

d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof

4. The expenditure incurred on Research and Development (₹ crores)

a. Capital – 12.94

b. Recurring – 34.98

c. Total – 47.92

d. Total R&D expenditure as a % of total turnover – 1%

C. Foreign Exchange Earnings and Outgo

Discussion on activities relating to development of exports is covered in the Management Discussion & Analysis Report.

Foreign Exchange Actual Inflow: ₹ 1,510.10 crores

Foreign Exchange Actual Outflow: ₹ 1,582.72 crores

D. Environment and Sustiability

Project Zero waste to landfill

As part of Zero waste to landfill initiative, OFC – Rakholi unit has achieved an incredible feet by obtaining "Zero waste to landfill" certification by Intertek. On achieving the same STL OFC – Rakholi unit is the first in India among optical fibre manufacturing facility and one of very few industry in the world to get certified. The OFC – Rakholi unit divert nearly 99.5% of waste away from landfill/incineration however, the primary focus of the company is a reduction of waste at source.

Annexure VII

1) A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Transforming Everyday Living, by Delivering Smarter Networks is how STL envisions enabling a connected future for India that is inclusive for all. The Company has warranted this by ensuring that Connectivity, Innovation and Sustainability are not just fundamental to how it operates as a business, but also incorporated into every effort to 'Create Shared Value'.

STL's CSR and Sustainability focus areas, realigned in 2017 - Education, Women Empowerment, Health and Environment are interconnected and power each other through their alignment with the UN Sustainable Development Goals and Ten Principles of the UN Global Compact Network. This, in addition to strategic partnerships with the Government of India, NGOs, technical institutions and other development players allows STL to create holistic solutions that positively impact and contribute to the realisation of integrated development for rural, semi-urban and urban areas in India.

The Company's updated CSR Policy, including an overview of projects or programs proposed to be undertaken can be viewed on the link mentioned below:

https://www.sterlitetech.com/pdf/coc/18_jan__CSR_Policy_approved_by_the_Board_of_Directors.html

2) The Composition of the Sustainability and Corporate Social Responsibility Committee (CSR Committee)

a. Mr. Arun Todarwal (Independent Director)

b. Mr. A. R. Narayanaswamy (Independent Director)

c. Mr. Pravin Agarwal

d. Dr. Anand Agarwal

3) Average net profit of the Company for last three financial years: ₹ 268.60 crores.

4) Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):

The Company is required to spend 2% of last three years' average net profit – ₹ 5.37 crores

5) Details of CSR spent during the financial year –

a. Total amount to be spent for FY19: ₹ 5.37 crores

b. Amount unspent, if any – Nil

c. **Amount Actually spent on CSR: ₹ 5.48 crores**

d. **Manner in which the amount spent during the financial year is detailed below –**

(₹ In lakhs)

1	2	3	4	5	6	7	8
Sl. No.	**CSR project or Activity Identified**	**Sector**	**Location**	**Amount outlay (budget), project or program wise (lakhs)**	**Amount spent on the projects (lakhs)**	**Cumulative expenditure upto the reporting period (lakhs)**	**Amount spent: Direct or through implementing agency***
1	Jeewan Jyoti Women Empowerment Institution - Vocational training and holistic development program for women from rural communities	Education, Women Empowerment	Pune	157.00	193.90	661.37	Direct
	Jeewan Jyoti Ved Vidyalaya - Preservation of heritage language	Education	Pune	41.00	50.00	89.13	Direct
	Educational Scholarships and donations	Education, Health	Multiple locations	13.00	13.00	13.00	Direct

(₹ In lakhs)

1 Sl. No.	2 CSR project or Activity Identified	3 Sector	4 Location	5 Amount outlay (budget), project or program wise (lakhs)	6 Amount spent on the projects (lakhs)	7 Cumulative expenditure upto the reporting period (lakhs)	8 Amount spent: Direct or through implementing agency*
2	Virtual Classroom Project - Technology based quality education program for underprivileged children from urban slums, in PPP with Municipal Corporation of Greater Mumbai (MCGM)	Education	Mumbai	76.00	72.00	269.28	Direct
	Pragyan - Technology based quality education program for underprivileged children combined with training for the teachers.	Education	Jaipur	64.00	70.00	70.00	Direct
3	Green Belt - Plan sustainable green zone development, etc.	Environment	Aurangabad	30.00	18.00	23.47	Direct
4	Mobile Medical Unit - Enabling access to preventative and curative healthcare services across tribal communities in Diu, Daman, Dadra, Silvassa area	Health	Silvassa	24.00	13.50	82.89	In-direct
5	Smart Nandghars - Redeveloping existing government Anganwadis at Silvassa and equiping them with a setup at par with private play schools.	Education	Silvassa	58.00	57.00	57.00	Direct
6	Educational Scholarships and donations	Education	Silvassa	22.00	12.50	53.84	Direct
7	Community service	Education, Women Empowerment, Environment	Multiple locations	23.00	6.00	6.00	Direct+ Indirect
8	Disaster Relief	-		-	16.00	16.00	Direct
9	Social Enterprise Incubation - Education and Healthcare interventions	Education, Health, Community Development	Multiple locations	2.00	2.60	14.00	Indirect
10	Administration and Management	Admin	Multiple locations	27.00	23.50	54.16	Direct + Indirect
	TOTAL			**537.00**	**548.00**	**1,410.14**	

*Details of implementing agencies: Sterlite Tech Foundation (Pune), Jnana Prabodhini (Pune), Tilak Maharashtra Vidyapeeth (Pune), Maharshi Ved Vyas Pratishthan (Pune), MCGM (Mumbai), Reniscience (Mumbai), UnLtd India (Mumbai), SSR Memorial Foundation (Silvassa), Indian Red Cross Society (Silvassa), UT Administration (Silvassa, D&NH)

Note:- CSR activities have been carried out either through Sterlite Tech Foundation (Public Charitable Trust with 3 years track record) or directly by the Company through administrative support of several Implementing Agencies as mentioned above and other Non-Governmental Organisations or Charitable Institutions.

6) In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report. – Not Applicable

7) CSR committee responsibility statement

CSR Committee confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and policy of the Company.

Date: April 23, 2019	Anand Agarwal	Arun Todarwal
Place: Pune	CEO & Whole Time Director	Chairman - CSR Committee

Corporate Governance Report

Philosophy of the Company on Code of Governance

Corporate Governance represents the value, ethical and moral framework under which business decisions are taken. The investors want to be sure that not only is their capital handled effectively and adds to the creation of wealth, but the business decisions are also taken in a manner which is not illegal or involves moral hazard.

Your Company perceives good corporate governance practices as key to sustainable corporate growth and long-term shareholder value creation. The primary objective is to develop and adhere to a corporate culture of harmonious and transparent functioning, increasing employee and client satisfaction and enhancing shareholders' wealth by developing capabilities and identifying opportunities that best serve the goal of value creation.

The Company has a three-tier governance structure:

Strategic supervision	The Board of Directors occupies the topmost tier in the governance structure. It plays a role of strategic supervision that is devoid of involvement in the task of strategic management of the Company. The Board lays down strategic goals and exercises control to ensure that the Company is progressing to fulfill stakeholders' aspirations.
Strategic management	The Executive Committee is composed of the senior management of the Company and operates upon the directions of the Board.
Executive management	The function of Management Committee is to execute and realise the goals that are laid down by the Board and the Executive Committee.

Board of Directors

Composition of Board

The Board of Directors of the Company ("the Board") comprises of two Whole-time Directors and six Non-Executive Directors including one Woman Director. Mr. Anil Agarwal is a Non-Executive Chairman and Mr. Pravin Agarwal is the Vice Chairman of the Board. The Board composition is in compliance with the requirements of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), requiring not less than half the Board to be Independent.

All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Listing Regulations. All Directors have made necessary disclosures regarding Committee positions and Directorships held by them in other companies. None of the Directors is a Member of more than ten Committees and Chairman of more than five Committees (Audit Committee and Stakeholders' Relationship Committee) across all companies in which he / she is a Director. None of the Company's Independent Directors served as Independent Director in more than seven listed companies. The appointment of the Whole-time Directors, including their tenure and remuneration are also approved by the Board.

Mr. Pravin Agarwal and Dr. Anand Agarwal, Whole-time Directors of the Company, are not appointed as Independent Directors of any Listed Company. Mr. Anil Agarwal and Mr. Pravin Agarwal are brothers. Mr. Pratik Agarwal is the son of Mr. Pravin Agarwal.

In the opinion of Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

Ms. Avaantika Kakkar, Independent Director resigned during FY19 due to other pre-occupations. Further, Ms. Kakkar has also confirmed that there are no material reasons other than the above for her resignation.

Board Meetings

During FY19, six Board Meetings were held. The said meetings were held on April 25, 2018, July 19, 2018, September 14, 2018, October 24, 2018, December 19, 2018 and January 24, 2019. The maximum time-gap between any two consecutive meetings did not exceed one hundred and twenty days. Video/Tele-conferencing facilities were made available to facilitate Directors travelling abroad, or present at other locations, to participate in the meetings. As required by Part A of Schedule II to the Listing Regulations, all the necessary information was placed before the Board from time to time. The Board also reviews the declaration made by the Chief Executive Officer regarding compliance with all applicable laws on a quarterly basis as also steps taken to remediate instances of non-compliances, if any.

The composition of the Board, their attendance in meetings, other Directorships and Committee memberships and their shareholding in the Company are as follows:

Name	Category	Board Meetings held during FY19	Board Meetings attended	Attendance at the last AGM held on June26, 2018	Directorships in other Companies[1]	Committee Memberships & [Chairperson ships] in other Companies[2]	Number of shares held in the Company as on March 31, 2019
Anil Agarwal, Chairman	Promoter Non-Executive	06	02	No	02	Nil	Nil
Arun Todarwal	Independent Non-Executive	06	06	Yes	10	08 [04]	2,300
A. R. Narayanaswamy	Independent Non-Executive	06	06	No	07	7 [03]	1,000
Avaantika Kakkar[3]	Independent Non-Executive	01	01	NA	09	Nil	Nil
Sandip Das	Independent Non-Executive	06	06	No	Nil	Nil	3,420
Kumud Srinivasan[4]	Independent Non-Executive	05	04	No	Nil	Nil	Nil
Pravin Agarwal, Vice Chairman & Whole-time Director	Promoter, Executive	06	05	Yes	05	02	11,29,750
Anand Agarwal, CEO & Whole-time Director	Executive	06	06	Yes	04	Nil	9,72,470
Pratik Agarwal	Promoter Non-Executive	06	04	No	04	02	1,18,340

1. All public, private, foreign, Section 8 Companies are included. Directorship in Sterlite Technologies Limited has been excluded.
2. As required by Regulation 26 of the Listing Regulations, the disclosure includes membership/chairmanship of audit committee and stakeholders relationship committee in Indian public companies (listed and unlisted). Committee positions held in Sterlite Technologies Limited have been excluded.
3. Ms. Avaantika Kakkar ceased to be a Director effective from May 22, 2018.
4. Ms. Kumud Srinivasan was appointed as Director effective from May 22, 2018.

Details of Directorships in Other Listed Entities

Director	Listed Entities	Category of Directorship
Mr. Anil Agarwal	Nil	NA
Mr. Arun Todarwal	1) Sterlite Power Transmission Limited*	Independent Director (In all companies)
	2) Sterlite Grid 2 Limited *	
	3) Anuh Pharma Limited	
	4) Hindustan Zinc Limited	
Mr. A. R. Narayanaswamy	1) Hindustan Zinc Limited	Independent Director (In all companies)
	2) Sterlite Power Grid Ventures Limited*	
	3) Sterlite Grid 2 Limited*	
Mr. Sandip Das	Nil	NA
Ms. Kumud Srinivasan	Nil	NA
Mr. Pravin Agarwal	1) Sterlite Power Grid Ventures Limited*	Non-executive Director (In all companies)
	2) Sterlite Power Transmission Limited*	
Mr. Anand Agarwal	Nil	NA
Mr. Pratik Agarwal	1) Sterlite Power Grid Ventures Limited*	Non-Executive Director
	2) Sterlite Power Transmission Limited*	Managing Director & CEO

*Debt listed companies.

Information provided to the Board

Information is provided to the Board members on regular basis for their review, inputs and approvals. The quarterly Board Meeting presentations (made by the CEO to the Board) provide adequate information to Directors on strategy, future roadmap, technology, functional updates, financial results and their analysis, governance matters and legal updates. The Statutory Agenda for Board and Committee meetings is sent well in advance as per the statutory timelines. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting.

Further, Chief Operating Officer (CEO) and Chief Financial Officer (CFO) have interactions with all Directors at the Board Meeting; Members of senior Management also attend the Board Meetings at times to provide detailed insight to the Board Members.

Separate meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Act, and the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on January 24, 2019 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and it's Committees which is necessary to effectively and reasonably perform and discharge their duties.

Induction and Familiarisation of Board Members

Upon appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through a formal induction program including the presentation from the Whole-time Director & CEO on the Company's manufacturing, marketing, finance and other important functions. The Company Secretary briefs the Directors about their legal and regulatory responsibilities as a Director. The induction for Independent Directors includes interactive sessions with Executive Committee Members, Business and Functional Heads, visit to the manufacturing site and more. On matters of specialised nature, the Company engages outside experts/consultants for presentation and discussion with the Board members. The familiarisation programme of directors forms part of Company's Nomination and Remuneration Policy and can be viewed on the Company's website in "Investors" section at the link https://www.sterlitetech.com/Code-of-Conduct-and-Policies.

Committees of the Board

I. Audit Committee

The Audit Committee of the Board is governed by a Charter drawn in accordance with the requirements of the Act and Regulation 18 of the Listing Regulations and Section 177 of the Act. The primary objective of the Audit Committee of the Board of Directors is to discharge responsibilities relating to accounting and reporting of financial practices adopted by the Company and its subsidiaries, surveillance of internal financial control systems as well as accounting and audit activities.

The terms of reference of the Audit Committee include:

1. Reviewing the Company's financial reporting process and the disclosure of its financial information to ensure the financial statement is correct, sufficient and credible.

2. Reviewing with the management, external and internal auditors, the adequacy of internal audit function, the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit, significant findings by internal auditors and follow up there on.

3. Recommending the appointment, terms of appointment and removal of auditors and the fixation of audit fees, including, payment to Statutory Auditors for any other services rendered and any other related payments.

4. Reviewing the Statutory and Internal Auditor's independence and performance and scrutinizing the effectiveness of the entire Audit process.

5. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

6. Reviewing, with the management, the quarterly and annual financial statements and the Auditors' report before submission to the Board for approval, focusing primarily on:

   a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report.

   b. Compliance with accounting standards and changes in accounting policies and practices and reasons for the same.

   c. Major accounting entries involving estimates based on exercise of judgment by Management.

   d. Audit qualifications and significant adjustments arising out of audit.

   e. Significant adjustments made in the financial statements arising out of Audit findings.

   f. Compliance with listing and other legal requirements relating to financial statements.

   g. Disclosure of any related party transactions.

   h. Modified opinion(s) in the draft audit report;

   i. Reviewing draft audit report in the format of Key Audit Matters - "KAM Report"

7. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

8. To review statement of deviations:
   i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) SEBI Listing Regulations.
   ii. annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

9. Discussing with external auditors, nature and scope of audit as well as having post-audit discussions.

10. Reviewing the Company's financial and risk management policies and risk management systems.

11. Reviewing Whistle Blower Mechanism (Vigil mechanism as per of the Companies Act, 2013).

12. Approving any transactions or subsequent modifications of transactions with related parties.

13. Reviewing inter-corporate loans and investments.

14. Reviewing valuation of undertakings or assets of the Company, if necessary.

15. Reviewing financial statements and investments made by subsidiary companies.

16 Evaluating reasons for any substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any.

17. Reviewing the effectiveness of the system for monitoring compliance with laws and regulations.

18. Approving the appointment of CFO after assessing the qualification, experience and background etc. of the candidate.

19. Reviewing the utilisation of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing amounts.

20. Reviewing the following information:
   a. management discussion and analysis of financial condition and results of operations;
   b. statement of significant related party transactions (as defined by the audit committee), submitted by management;
   c. management letters / letters of internal control weaknesses issued by the statutory auditors;
   d. internal audit reports relating to internal control weaknesses; and
   e. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
   f. Reviewing compliance with the provisions of the Code of Conduct to Regulate, Monitor and Report Trading in the Securities of the Company and applicable SEBI Regulations and to verify that the systems for internal controls are adequate and are operating effectively and to amend, modify, interpret the Code.

Composition and Meetings

The Audit Committee comprises of three Independent Directors and one Executive Director. Mr. A.R.Narayanaswamy, Chairman of the Committee (Independent Director) is a Chartered Accountant and has accounting and financial expertise. The other Committee members also are financially literate. The quorum of the Committee is two members or one-third of its members, whichever is higher with at least two Independent Directors.

The Chairman of the Audit Committee attended the last Annual General Meeting ('AGM') of the Company. The Audit Committee met four times during FY19 i.e., on April 25, 2018; July 19, 2018; October 24, 2018 and January 24, 2019 and the gap between two meetings did not exceed one hundred and twenty days. The composition of Audit Committee and attendance details of its meetings is as follows:

Name	Category	Number of Meetings attended
A. R. Narayanaswamy, *Chairman	Non-Executive & Independent Director	04
Arun Todarwal	Non-Executive & Independent Director	04
Pravin Agarwal	Vice Chairman & Whole-time Director	03
Sandip Das	Non-Executive & Independent Director	04

*Mr. A. R. Narayanaswamy was appointed as a Chairman effective October 24, 2018.

Audit Committee meetings are usually attended by the Executive Directors, the CFO and representatives of Statutory Auditors and Internal Auditors. Business CEOs and Functional Heads are also invited to the meetings, as and when needed. The Company Secretary acts as the Secretary to Audit Committee. The Internal Audit function reports to the Audit Committee to ensure its independence.

II. Nomination and Remuneration Committee

The powers, role and terms of reference of the Nomination and Remuneration Committee covers the areas as provided under Regulation 19 of the Listing Regulations and Section 178 of the Act, besides other terms as referred by the Board.

The terms of reference of the Nomination and Remuneration Committee include:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of Independent Directors and the Board;

3. Reviewing whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

4. Devising a policy on Board diversity;

5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

6. Administration of Employee Stock Option Scheme(s);

7. Recommend to the Board, all remuneration, in whatever form, payable to senior management, i.e. all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

Composition and Meetings

The Committee comprises of four Non-Executive Independent Directors. Mr. Sandip Das is the Chairman of the Committee. The Committee met five times during the FY19 i.e., on April 25, 2018; July 19, 2018, October 10, 2018, October 24, 2018 and January 24, 2019. The Company Secretary acts as the Secretary to Nomination and Remuneration Committee. The Composition of Nomination and Remuneration Committee and attendance details of its meetings is as follows:

Name	Category	Number of Meetings attended
Sandip Das - Chairman*	Non-Executive & Independent Director	05
Arun Todarwal	Non-Executive & Independent Director	05
A. R. Narayanaswamy	Non-Executive & Independent Director	05
Kumud Srinivasan**	Non-Executive & Independent Director	01

*Mr. Sandip Das was appointed as a Chairman effective October 24, 2018

**Ms. Kumud Srinivasan was appointed as a Member effective October 24, 2018

III. Stakeholders' Relationship Committee

The powers, role and terms of reference of the Stakeholders' Relationship Committee covers the areas as provided under Regulation 20 read with Part D of Schedule II of the Listing Regulations and Section 178 of the Act, besides other terms as referred by the Board.

The terms of reference of the Stakeholders' Relationship Committee include:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Composition and Meetings

The Stakeholders' Relationship Committee oversees redressal of stakeholders' grievances. The Committee met four times during the FY19 i.e., on April 25, 2018, July 19, 2018, October 24, 2018 and January 24, 2019. Further during the year, the Company received 654 complaints for various matters like non-receipt of share certificates, non-issue of duplicate certificates, rejection of demat requests. All the complaints were resolved to the satisfaction of investors. Mr. Amit Deshpande, Company

Secretary acts as the Compliance Officer of the Company. The composition of Stakeholders' Relationship Committee and attendance details of its meetings is as follows:

Name	Category	Number of Meetings attended
Kumud Srinivasan, Chairperson*	Non-Executive & Independent Director	02
Avaantika Kakkar**	Non-Executive & Independent Director	01
Arun Todarwal	Non-Executive & Independent Director	04
Pravin Agarwal	Vice Chairman & Whole-time Director	03
Sandip Das	Non-Executive & Independent Director	04

*Ms. Kumud Srinivasanwas inducted as a Chairperson w.e.f. May 22, 2018

**Ms. Avaantika Kakkar ceased to be Chairperson w.e.f May 22, 2018

IV. Risk Management Committee

According to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, effective, April 1, 2019, it is mandatory for Top 500 listed entities to have a Risk Management Committee with majority of members being directors. The Board of Directors has accordingly, constituted Risk Management Committee effective January 24, 2019.

The powers, role and terms of reference of the Risk Management Committee covers the areas as provided under Regulation 21 of the Listing Regulations besides other terms as referred by the Board.

The terms of reference of the Risk Management Committee include:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Composition and Meetings

No meeting of Risk Management Committee was held during FY19. The Composition of Risk Management Committee is as follows:-

Name	Category
Sandip Das	Non-Executive & Independent Director
Pravin Agarwal	Vice Chairman & Whole-time Director
Anand Agarwal	Chief Executive Officer & Whole-time Director
Anupam Jindal	Chief Financial Officer

V. Sustainability and Corporate Social Responsibility Committee

The Committee's primary role is to assist the Company in discharging its social responsibilities. The Committee monitors the implementation of the Corporate Social Responsibility Policy and oversees Company's sustainability initiatives. The Committee's constitution and terms of reference meet with the requirements of the Act and Rules made thereunder. Its terms of reference include:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) or its modification which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;

2. To recommend the amount of expenditure to be incurred on the activities as prescribed under CSR Policy;

3. To monitor the CSR Policy of the Company from time to time.

4. To approve the Corporate Sustainability Report and oversee the implementation of sustainability activities.

5. To formulate and recommend to the Board - policies, principles and practices to foster the sustainable growth of the Company and to respond to evolving public sentiment and government regulations.

6. To aid management in setting strategy, establishing goals and integrating sustainability into daily business activities across the Company.

7. To review and advise the Board on Company's sustainability reporting and sustainability targets.

8. To review management's risk assessment and risk management policies and procedures with respect to sustainability impacts and considerations.

The Committee met once during FY19 on April 25, 2018. The composition of Sustainability and Corporate Social Responsibility Committee and attendance details of its meetings is as follows:

Name	Category	Number of Meetings attended
Arun Todarwal, Chairman	Non-Executive & Independent	01
A.R. Narayanaswamy	Non-Executive & Independent	01
Pravin Agarwal	Vice Chairman & Whole-time Director	01
Anand Agarwal	CEO & Whole-time Director	01

VI. Other Committees

The Board has also constituted the following Committees, to assist in discharging its functions –

1. Banking and Authorisation Committee
2. Allotment Committee

These Committees operate within the limit of authorities, as delegated by the Board of Directors.

Board Evaluation

The Board of Directors of the Company is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination and Remuneration Committee has established processes for performance evaluation of Independent Directors, the Board and Committees of the Board.

Pursuant to the provisions of the Act, and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of its Committees as well as the directors individually. A structured evaluation was carried out based on various parameters such as skills and experience to perform the role, level of participation, contribution to strategy, degree of oversight, professional conduct and independence.

Chart or a Matrix Setting out the List of Core Skills/Expertise/Competencies

The skills and attributes of the Board can be broadly categorised as follows:

- Governance skills (skills directly relevant to performing the Board's key functions);
- Industry skills (skills relevant to the industry);
- Personal attributes or qualities that are considered desirable to be an effective Director.

The Board has identified below matrix, which will be used this as a guide to ensure reasonable diversity and a broad range of skills are evident across the Board:

- Leadership
- Strategic planning and oversight
- Operational oversight
- Financial skills
- Risk management and internal control
- Experience and knowledge of the industry
- Geographic, gender and cultural diversity
- Technology skills
- Member and stakeholder engagement

The Board as a whole should also encompass desirable diversity in aspects such as gender, age and different perspectives.

Policy for Selection and Appointment of Directors and their Remuneration

The Nomination and Remuneration Committee (NRC) has adopted a Charter which, inter alia, deals with the manner of selection of the Directors, KMP and Senior Management and their remuneration. This Policy is accordingly derived from the said Charter.

a. Appointment Criteria and Qualification:

The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his / her appointment.

For the appointment of KMP (other than Managing / Whole-time Director or Manager) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment.

b. Term:

The Term of the Directors including Managing / Whole time Director / Manager/ Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and Listing Regulations, as amended from time to time.

Whereas the term of the KMP (other than the Managing / Whole-time Director/ Manager) and Senior Management shall be governed by the prevailing HR policies of the Company.

c. Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations there under and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Nomination and Remuneration Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel.

d. Remuneration of Managing / Whole-time Director, KMP and Senior Management

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole-time Director will be determined by the NRC Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder. Further, the Whole-time Director of the Company is authorised to decide the remuneration of KMP (other than Managing/ Whole-time Director) and Senior Management, and which shall be decided by the Whole-time Director based on the standard market practice and prevailing HR policies of the Company.

e. Remuneration to Non-executive / Independent Director:

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and Listing Regulations, as amended from time to time.

The complete text of the Nomination and Remuneration Policy can be accessed on Company's website at the link: https://www.sterlitetech.com/Code-of-Conduct-and-Policies.

Details of Remuneration paid to the Directors

Mr. Pravin Agarwal and Dr. Anand Agarwal are the two Executive Directors of the Company. Mr. Pravin Agarwal was appointed as Whole-time Director of the Company for a period of 5 years with effect from October 30, 2015. As per the terms of appointment, the agreement can be terminated by giving 90 days' notice or equivalent pay by either of the sides. Dr. Anand Agarwal was appointed as Whole-time Director and designated as Chief Executive Officer of the Company for a period of 5 years with effect from July 30, 2015. As per the terms of appointment, the agreement can be terminated by giving 90 days' notice or equivalent pay by either of the sides.

In FY 19, sitting fee of ₹ 50,000/- for attendance at each meeting of the Board and ₹ 25,000/- for each meeting of the Committees of the Board, was paid to its Members (excluding Executive Directors). Remuneration by way of commission to non-executive directors is decided by the Board of Directors and distributed to them based on their participation and contribution at the Board and certain Committee meetings as well as time spent on operational matters other than at meetings. On August 4, 2015, Members had approved the payment of remuneration by way of commission to the Non-Executive directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company. The break-up of remuneration actually paid to directors (excluding provisions, if any) in FY19 is as follows:

(₹ In lakhs)

Director	Salary / Perquisites[1]	Incentive/ Commission	Sitting Fee	Total
Anil Agarwal	-	-	-	-
Arun Todarwal	-	15.00	9.00	24.00
A. R. Narayanaswamy	-	15.00	6.50	21.50
Avaantika Kakkar(upto May 22, 2018)	-	15.00	0.75	15.75
Kumud Srinivasan (from May 22, 2018)		NA	3.25	3.25
Pravin Agarwal	1,141.40	293.00	-	1,434.40
Anand Agarwal[2]	964.45	275.08	-	1,239.53
Pratik Agarwal	-	15.00	2.00	17.00
Sandip Das[3] (from October 16, 2017)	-	7.50	7.25	14.75

1. As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the said amounts are not included above.
2. Remuneration of Dr. Anand Agarwal also includes the perquisite value of Employee Stock Options (ESOPs) exercised by him during the year. He has exercised 1,29,570 options in FY19 against which equal number of shares were allotted to him. 1,30,000 options were granted to him in FY19, which are eligible for vesting over a period of five years.
3. The Company has paid ₹ 3.75 lakhs per month to Mr. Sandip Das as consultancy fees in FY19 for advisory services rendered by him in professional capacity and the same is not a part of his remuneration as Director.

Corporate Governance Report contd.

General Body Meetings

Particulars of last three Annual General Meetings of the Company:

Date	Venue	Time	Special Resolutions that were passed with requisite majority
August 30, 2016	E1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra – 431 136, India	11.00 am	• To offer or invite for subscription of Non-Convertible Debentures on private placement basis • Raising of the funds through Qualified Institutional Placement (QIP)/ External Commercial Borrowings (ECBs) with rights of conversion into Shares/ Foreign Currency Convertible Bonds (FCCBs)/ American Depository Receipts (ADRs)/ Global Depository Receipts (GDRs) /Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPs/CCPs) etc. pursuant to Section 62 of the Act
July 4, 2017	E1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra – 431 136, India	11.00 am	• To offer or invite for subscription of Non-Convertible Debentures on private placement basis • Raising of the funds through Qualified Institutional Placement (QIP)/ External Commercial Borrowings (ECBs) with rights of conversion into Shares/ Foreign Currency Convertible Bonds (FCCBs)/ American Depository Receipts (ADRs)/ Global Depository Receipts (GDRs) /Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPs/CCPs) etc. pursuant to Section 62 of the Act
June 26, 2018	E1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra – 431 136, India	11.00 am	• To offer or invite for subscription of Non-Convertible Debentures on private placement basis • Raising of the funds through Qualified Institutional Placement (QIP) / External Commercial Borrowings (ECBs) with rights of conversion into Shares / Foreign Currency Convertible Bonds (FCCBs) / American Depository Receipts (ADRs) / Global Depository Receipts (GDRs) /Optionally or Compulsorily Convertible Redeemable Preference Shares (OCPs/CCPs) etc. pursuant to Section 62 of Companies Act, 2013

The Company had provided facility of e-voting pursuant to provisions of the Act and the Listing Regulations, to its Members. A scrutinizer was appointed by the Company to monitor and review the e-voting process. On completion of e-voting process, the Scrutinizer presented a report to the Chairman. All the resolutions were passed with requisite majority.

During FY19, no special resolutions were passed through postal ballot. There is no special resolution proposed to be conducted through postal ballot.

Subsidiary Companies

The Company has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of the Listing Regulations and the same is displayed on its website at link https://www.sterlitetech.com/Code-of-Conduct-and-Policies

The applicable requirements of Regulation 24 of Listing Regulations with respect to material subsidiary are complied with. Minutes of subsidiary companies are placed before the Board and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary companies.

Related Party Transactions

All Related Party Transactions are approved by the Audit Committee. Approval of the Board is taken, as needed, in accordance with the Act and the Listing Regulations. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. No transaction with the Promoters, Directors or their relatives has a potential conflict with the Company's interest. The related party transactions are entered into based on considerations of various business exigencies, such as synergy in operations, sectoral specialisation and the Company's long-term strategy for sectoral investments, optimisation of market share, profitability, legal requirements, liquidity and capital resources of subsidiaries and associates. All related party transactions are negotiated on an arm's length basis, and are intended to further the Company's interests.

All transactions entered into with Related Parties as defined under the Act and Regulation 23 of the Listing Regulations during the FY 19 were in the ordinary course of business and on an arm's length basis. Suitable disclosures as required under the applicable Accounting Standards have been made in the notes to the Financial Statements. The Board has approved the policy on Related Party Transactions, which has been uploaded on the Company's website in "Investors" section at link https://www.sterlitetech.com/Code-of-Conduct-and-Policies

Code Of Conduct

The Company has adopted a 'Code of Business Conduct & Ethics' to meet the changing internal and external environment for its employees at all levels including Senior Management and Directors. The Code has also been posted on the Company's website at link https://www.sterlitetech.com/Code-of-Conduct-and-Policies. The Code serves as a guide to the employees of the Company to make informed and prudent decisions. As required under the Listing Regulations, the affirmation of compliance with the Code has been obtained from Directors and Senior Management personnel for FY19.

Disclosures in Relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

During FY19, 1 pending complaint from last financial year was resolved. No other complaint was pending as on March 31, 2019.

Vigil Mechanism/ Whistleblower Policy

The Company has a Vigil mechanism and has adopted a 'Whistleblower Policy', which has been communicated to all employees along with Code of Business Conduct & Ethics. The Whistleblower policy is the mechanism to help the Company's directors, employees, its subsidiaries and all external stakeholders to raise their concerns about any malpractice, impropriety, abuse or wrongdoing at an early stage and in the right way, without fear of victimisation, subsequent discrimination or disadvantage. The policy encourages raising concerns within the Company rather than overlooking a problem. All Complaints under this policy are reported to the Director - Management Assurance, who is independent of operating management and businesses. 'Complaints' can also be reported on a web-based portal, designated email id or toll-free number as below:

Web based Portal	www.vedanta.ethicspoint.com
Toll Free number	000 800 100 1681
Email	stl.whistleblower@sterlite.com
Mailing address	Group Head – Management Assurance, Vedanta, 75 Nehru Road, Vile Parle (E), Mumbai 400 099 Tel No. +91- 22 – 6646 1000, Fax No. +91- 22 – 6646 1450

No person has been denied access to the Audit Committee. The Whistleblower policy has also been extended to external stakeholders like vendors, customers, etc. The details of the Whistleblower Policy are available at the link https://www.sterlitetech.com/Code-of-Conduct-and-Policies

Prevention of Insider Trading

The Company has adopted a Code of Conduct for Regulating, Monitoring and Reporting of trading by insiders of the Company ('the Code') as per the SEBI (Prohibition of Insider Trading) Regulations, 2015 with a view to regulate trading in securities by the Directors and designated employees of the Company. Under the Code, the Company has constituted Insider Trading Monitoring Committee for overall administration of the Code. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company's securities by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

CEO and CFO Certification

The Chief Executive Officer and Whole Time Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 of the Listing Regulations. The Chief Executive Officer and Whole-time Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of the Listing Regulations. The annual certificate for FY 19 given by the Chief Executive Officer and Whole-time Director and the Chief Financial Officer is published in this Report.

Reconciliation of Share Capital Audit

A qualified Practising Company Secretary carries out a Reconciliation of Share Capital Audit on a quarterly basis to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The Audit report is submitted to the stock exchanges and is also placed before the Board. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

Disclosures

a. The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets. No penalties or strictures were imposed on the Company by the Stock Exchanges, SEBI or any statutory authorities on any matter relating to the above.

b. The Company has not received any complaints relating to child labour, forced labour, involuntary labour during FY19.

c. As a result of its businesses and the global nature of its operations, the Company is exposed in particular to market risks from changes in foreign currency exchange rates and interest rates, while commodity price risks arise from procurement. The Company has established internal guidelines for risk controlling procedures and for the use of financial instruments, including a clear segregation of duties with regard to financial activities, settlement, accounting and the related controlling. The guidelines upon which the Company's risk management processes for financial risks are based, are designed to identify and analyze these risks throughout the company, to set appropriate risk limits and controls and to monitor the risks by means of reliable and up-to-date administrative and information systems. The guidelines and systems are regularly reviewed and adjusted to changes in markets and products. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports.

d. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the Listing Regulations. Comments on adoption of non-mandatory requirements are given at the end of this report.

e. This Corporate Governance Report of the Company for the Financial Year ended as on March 31, 2019 is in compliance with the requirements of Corporate Governance under Listing Regulations.

f. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to PWC, the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, are as below:

(₹ in lakhs)

Entity	Fees paid in FY 19
Sterlite Technologies Limited (STL)	86.67
Subsidiaries of STL	8.00
Total	**94.67**

g. The Company has obtained a certificate from M/s. J. B. Bhave & Co., Company Secretary in practice that none of the directors on the Board of the Company, have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. The said certificate is attached to this Report.

h. The Board has accepted all the recommendations of its Committees during FY19, which were mandatorily required.

Means of Communication

a. Quarterly Financial Results are published in all-India Editions of Financial Express and, in the Aurangabad and Pune Edition of Maharashtra Times.

b. Results are also posted on the Company's website: www.sterlitetech.com and the websites of BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE).

c. The Company displays official news releases and the presentations made to institutional investors or to analysts on the website.

d. **NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** NEAPS and BSE Listing Centre are web-based applications designed by NSE/BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on these applications.

General Shareholder Information

CIN	**L31300MH2000PLC269261**
Annual General Meeting	Day, Date: Tuesday, July 23, 2019 Time: 11.00 a.m. E 1, MIDC Industrial Area, Waluj, Aurangabad - 431136, Maharashtra, INDIA
Book Closure Dates	Saturday, July 20, 2019 to Tuesday, July 23, 2019 (both days inclusive)
Dividend Payment Date	Dividend, if declared in the AGM will be paid within the statutory time limits.

Financial Calendar for FY20 (Financial Year April 1 to March 31) (tentative)

First Quarter Results	End of July 2019
Half Yearly Results	End of October 2019
Third Quarter Results	End of January 2020
Fourth Quarter/Annual Results	End of April 2020

Listing of shares on Stock Exchanges

The equity shares of the Company are listed on BSE and NSE. Annual listing fees for the financial year ended March 31, 2019 have been paid to BSE and NSE. The Stock Codes of the Exchanges are as under:

Exchange	Code	Address
BSE	53237	**BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street Mumbai- 400001
NSE	STRTECH	**The National Stock Exchange of India Ltd.** Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

Debt Securities

The Company has outstanding Secured, Rated, Redeemable, Non-Convertible Debentures (NCDs) of ₹ 300 crores. NCDs are listed on the debt segment of BSE Limited, as per the SEBI Guidelines and Listing Regulations.

Stock Price Data

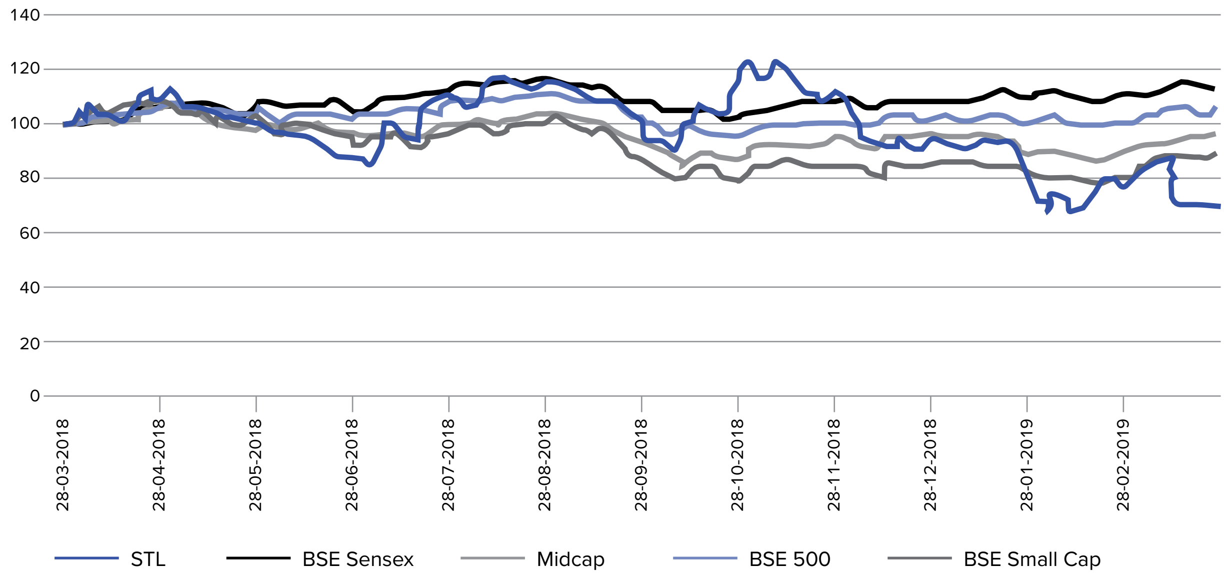
Stock Price data for the period April 1, 2018 to March 31, 2019 is as detailed below:

Month	BSE Monthly High (₹)	BSE Monthly Low (₹)	NSE Monthly High (₹)	NSE Monthly Low (₹)
Apr-18	365.00	314.90	365.00	315.00
May-18	357.85	301.40	358.00	301.35
Jun-18	332.50	255.60	322.45	255.40
Jul-18	355.00	260.30	355.65	261.60
Aug-18	374.00	331.55	374.70	331.25
Sep-18	368.05	280.00	368.75	289.00
Oct-18	395.00	275.00	396.50	275.00
Nov-18	399.00	331.70	399.90	332.00
Dec-18	356.00	277.40	356.20	277.05
Jan-19	301.55	240.00	301.85	239.50
Feb-19	251.90	181.00	251.90	206.85
Mar-19	279.25	215.90	279.80	215.65

Sources: Data compiled from BSE & NSE official websites.

Stock Performance

The performance of the Company's stock prices is given in the chart below:



Distribution of Shareholding as on March 31, 2019

Sr. No	Category	Cases	% of Cases	No. of shares	% of shareholding
1	1-5000	1,75,169	98.65	58,072,888	14.43
2	5001- 10000	1,244	0.70	8,931,511	2.22
3	10001- 20000	574	0.32	8,279,133	2.06
4	20001- 30000	194	0.11	4,874,735	1.21
5	30001- 40000	86	0.05	2 991,438	0.74
6	40001- 50000	58	0.03	2 624,323	0.65
7	50001- 100000	101	0.06	7,200,193	1.79
8	100001 & Above	145	0.08	3,09,567,502	76.90
	Total:	**1,77,571**	**100.00**	**4,02,541,723**	**100.00**

Equity holding pattern as on March 31, 2019

Category	Number of Shares	% of Equity
Promoter Group	21,66,07,221	53.81
Banks, Mutual Funds, Trusts, Govt & Insurance Companies, Indian Financial Institutions, etc.	43,570,616	10.82
FIIs, Foreign National, Foreign Portfolio Investors and NRIs	27,939,998	6.94
Bodies Corporates & NBFCs Registered with RBI	14,977,823	3.72
Individuals (Public) & HUFs	95,302,302	23.68
Clearing Members	7,25,683	0.18
GDRs	74,700	0.02
Others (including IEPF)	33,43,380	0.83
Total	**402,541,723**	**100.00**

Dematerialisation of Shares and Liquidity

The Company's equity shares are compulsorily traded in the electronic form. As on March 31, 2019, 39,91,77,624 shares representing 99.16% of total equity capital were held in electronic form. The Shareholders can hold the shares in demat form either through NSDL or CDSL. The ISIN allotted to the Company is INE089C01029.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date & likely impact on equity

The Company has 74,700 GDRs outstanding as on March 31, 2019.

Details of outstanding shares in the Unclaimed Suspense Account

In terms of Schedule V of Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account -

Particulars	Total No. of Shareholders	No. of Outstanding Shares lying in Unclaimed Suspense Account
As on April 1, 2018	1263	9,05,220
Shareholders approached for transfer/delivery during FY 19	22	9,215
Shares transferred/delivered during FY19	22	9,215
Shares transferred to IEPF	380	1,50,420
Balance as on March 31, 2019	861	7,45,585

The voting rights on the shares in the suspense account as on March 31, 2019 shall remain frozen till the rightful owners of such shares claim the shares.

Share Transfer System

Requests for Transfer/ Transmission of shares held in physical form can be lodged with the Company's Registrar and Transfer Agent, Karvy Fintech Private Limited ('Karvy'), Hyderabad. The requests are generally processed within 10-15 days of receipt of documents, if documents are complete and valid in all respects. Shares under objection are returned within 7-10 days.

Pursuant to Regulation 40(9) of the Listing Regulations, the Company submits to Stock Exchanges, a certificate, on half yearly basis, issued by a Practising Company Secretary for due compliance of share transfer formalities by the Company.

Registrar & Transfer Agent

Karvy is the Registrar and Transfer Agent of the Company. Shareholders, beneficial owners and Depository Participants, (DPs) can send/deliver the documents/correspondence relating to the Company's share transfer activity, etc. to Karvy at the following address:

Karvy Fintech Private Limited
(Unit – Sterlite Technologies Limited)
Karvy Selenium Tower-B, Plot No. 31 & 32,
Financial District, Gachibowli, Nanakramguda,
Serilingampally
Hyderabad 500 008 India
Phone No.: 040 67161524 E-mail: einward.ris@karvy.com

Shareholders' correspondence should be addressed to the Company's Registrar and Transfer Agents at the above-mentioned address. In case of unresolved complaints, the members may also write to the Company Secretary & Compliance Officer at the office of the Company as detailed below:

Sterlite Technologies Limited
Ground Floor, Godrej Millennium
9 Koregaon Road, Pune – 411 001
Maharashtra, India
Phone: +91-20-30514000 Fax: +91-20-30514113
E-mail: secretarial@sterlite.com

Registered Office:
E1, MIDC Industrial Area
Waluj, Aurangabad – 431 136, Maharashtra, India

Debenture Trustee
Axis Trustee Services Limited
The Ruby, 2nd Floor, SW
29 Senapati Bapat Marg, Dadar West
Mumbai- 400 028
Contact No.: +91- 022-6230 0438

Depository Bank (GDRs)
Deutsche Bank AG
Trust & Securities Services
The Capital, C-70, G Block, 14th Floor,
Bandra Kurla Complex, Bandra (East),
Mumbai 400 051. India
Phone No. +91-22-71804386

Plant Locations

Optical Fiber	- E1, E2, E3, MIDC, Waluj, Aurangabad – 431136, India - AL-23, A-1/7, Shendra Five Star Industrial Area, Aurangabad 431 201, Maharashtra, India - 777 Beihai Beihai Rd, Haimen Town, Hai Men City, Jiangsu, China
Fiber Optic Cables & OPGW Cables	- Survey No. 68/1, Rakholi Village, Madhuban Dam Road, Silvassa – 396230, Union Territory of Dadra & Nagar Haveli, India - Dello (Brescia -Italy) Via Marconi 31, Italy - Sao Jose dos Pinhais, State of Parana, at Rua Dr. Muricy, 4000, Barracoa Fundos, Bairro Coesteria, CEP 83015 – 290, Brazil
Copper Telecom Cables & Structured Data Cables	Survey No. 33/1/1, Waghdara Road, Dadra – 396191, Union Territory of Dadra & Nagar Haveli, India

Credit Rating

The Company's credit rating ascribed by ICRA/ CRISIL as on date:

Debt instrument	ICRA		CRISIL	
	Rating	Outlook	Rating	Outlook
Non-Convertible Debentures	AA	Stable	AA	Stable
Commercial Papers	A1+	NA	A1+	NA
Line of credit	AA	Stable	AA	Stable

Compliance Certificate of Practising Company Secretary

Certificate from Dr. K.R. Chandratre, Practicing Company Secretary, confirming compliance with conditions of Corporate Governance as stipulated under Listing Regulations, is attached to this Report.

Compliance with Non-Mandatory Requirements

1. **The Board**
   Mr. Anil Agarwal is the Non-Executive Chairman of the Board. As the Chairman has a separate office, the Company does not reimburse expenses incurred by him for maintenance of a separate Chairman's office.

2. **Shareholder Rights**
   The Company publishes its results in the newspapers having nationwide circulation. Also, results are uploaded on Company's website. The copy of results is furnished to all the shareholders who request for the same. Therefore, the Company does not circulate the half-yearly results to its shareholders.

3. **Modified opinion in audit report**
   Please refer to the explanation by the Board in the Directors' Report, on the qualification of auditors on the accounts for the Financial Year 2018-19.

4. **Separate Posts of Chairman and CEO**
   The Company has separate posts of Chairman and CEO.

5. **Reporting of Internal Auditor**
   The Internal Auditor of the Company reports directly to Audit Committee.

CEO AND CFO CERTIFICATE

(As per Schedule II of the Listing Regulations)

To,
The Board of Directors
Sterlite Technologies Limited

a) We have reviewed financial statements and the cash flow statement of Sterlite Technologies Limited for the year ended March 31, 2019 and to the best of our knowledge and belief:
   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems of the Company pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

d) We have indicated to the Auditors and the Audit Committee:
   (i) significant changes in internal control during the year.
   (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For Sterlite Technologies Limited

Anand Agarwal
CEO & Whole-Time Director
Place: Pune
Date: April 23, 2019

Anupam Jindal
Chief Financial Officer

CERTIFICATE ON COMPLIANCE WITH CODE OF CONDUCT

In accordance with Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct and Business Ethics of the Company for the Financial Year ended March 31, 2019.

For Sterlite Technologies Limited

Place: Pune
Date: April 23, 2019

Anand Agarwal
CEO & Whole-Time Director

CERTIFICATE ON COMPLIANCE WITH SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015 BY STERLITE TECHNOLOGIES LIMITED

I have examined compliance by Sterlite Technologies Limited (the Company) with the requirements under the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations) relating to corporate governance requirements for the year ended on 31 March 2019.

In my opinion and to the best of my information and according to the explanations given to me and the representation by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company.

My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance under the Listing Regulations. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

I state that no investor's grievance is pending unresolved by the Company for a period exceeding one month against the Company as per the records maintained by the Stakeholders' Relationship Committee.

I further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Sterlite Technologies Limited

Place: Pune
Date: April 23, 2019

Dr. K R Chandratre
Practising Company Secretary
FCS No. 1370. Certificate of Practice No. 5144

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
STERLITE TECHNOLOGIES LIMITED
E1, MIDC Industrial Area Waluj
Aurangabad- 431136,
Maharashtra

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of STERLITE TECHNOLOGIES LIMITED having CIN: L31300MH2000PLC269261 and having registered office at E1, MIDC Industrial Area Waluj Aurangabad 431136, Maharashtra (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	Designation	DIN	Date of appointment in Company
1	Anil Kumar Agarwal	Non-Executive Director	00010883	30/10/2006
2	Arun Lalchand Todarwal	Non-Executive and Independent Director	00020916	25/01/2003
3	Pravin Agarwal	Whole-time Director	00022096	30/10/2006
4	Anand Gopaldas Agarwal	Whole-time Director and CEO(KMP)	00057364	30/07/2009
5	Sandip Das	Non-Executive and Independent Director	00116303	16/10/2017
6	Narayanaswamy Alampallam Ramakrishnan	Non-Executive and Independent Director	00818169	30/04/2007
7	Pratik Pravin Agarwal	Non-Executive Director	03040062	26/04/2013
8	Kumud Madhok Srinivasan	Non-Executive and Independent Director	06487248	22/05/2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the same based on our verification. This certificate is specifically being issued in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **J. B. Bhave & Co.**
Company Secretaries

Jayavant Bhave
Proprietor
FCS: 4266 CP: 3068

Place: Pune
Date: April 23, 2019

Business Responsibility Report

Introduction

Aspiration of creating shared value, conducting our business activities in an environmentally and socially responsible manner while making a positive contribution to India's economic growth have been business drivers for Sterlite Technologies Limited (STL) since inception. The principles of sustainable development and alignment to triple bottom line of sustainability have always been at the core of our business strategy and ingrained in our business activities and stakeholder interactions.

This Business Responsibility Report chronicles our actions in the domain of sustainable development in FY 2018-19. Aligning with the guidelines set forth by Securities and Exchange Board of India (SEBI), this report presents the commitment of the organisation to the principles as laid out in the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' issued by the Ministry of Corporate Affairs.

Section A: General Information about the Company

1.	**Corporate Identity Number (CIN) of the Company**	:	L31300MH2000PLC269261
2.	**Name of the Company**	:	STERLITE TECHNOLOGIES LTD.
3.	**Registered address**	:	E1, MIDC Industrial Area Waluj, Aurangabad, MH 431136
4.	**Website**	:	www.sterlitetech.com
5.	**E-mail id**	:	communications@sterlite.com
6.	**Financial year reported**	:	2018-19

7. Sector(s) that the Company is engaged in (industrial activity code-wise)

Product/ Service	NIC Code
Fibre Optical Cable	3890
Optical Fibre	3890
Copper Telecom Cables	3130
Fibre Optical Cable Laying Services	3890

8. List three key products/services that the Company manufactures/provides (as in balance sheet)

a. Connectivity Solutions
b. Network Services
c. Network Software

9. Total number of locations where business activity is undertaken by the Company

(a) **Number of international locations (Provide details of major five)**

i. International
1. Italy -1
2. China - 2
3. Brazil - 1
4. UK - 1

(b) **Number of national locations**

i. National Locations
1. Maharashtra - 4
2. UT of D&NH - 2
3. Gujarat - 1
4. Haryana - 1
5. Karnataka - 1

10. Markets served by the Company – Local/State/National/International

With expertise ranging from optical fibre and cables, hyper-scale network design, and deployment and network software, STL is the industry's leading integrated solutions provider for global data networks. We partner with global and national telecom companies, cloud companies, citizen networks and large public enterprises to design, build and manage such cloud-native software-defined networks.

Section B: Financial Details of the Company

1.	**Paid-up capital (₹)**	:	80.51 crores
2.	**Total turnover (₹)**	:	4,862.63 crores
3.	**Total profit after taxes (₹)**	:	535.23 crores
4.	**Total spending on corporate social responsibility (CSR) as percentage of profit after tax (%)**	:	2.04

5. **List of activities in which expenditure in above four have been incurred**
    a. **Jeewan Jyoti Women Empowerment** Programme**:** A programme for women empowerment in rural areas that imparts vocational training, along with placement support.
    b. **Virtual Classrooms (Sterlite School Tech):** A technology-based quality education programme for underprivileged school-going children of urban slums. This project is a joint initiative of Sterlite Tech Foundation and Mumbai Corporation of Greater Mumbai.
    c. **Mobile Medical Unit (MMU):** Operating a mobile health van equipped with necessary healthcare facilities with onboard doctors and nurses. The MMU has been instrumental in providing basic healthcare services in rural areas, creating health awareness, encouraging preventive care and addressing local health issues.
    d. **Project Jaldoot:** Initiatives targeting the water scarce regions in the vicinity of Aurangabad by enhancing water harvesting capacity of existing storage structures, watershed development activities and educating villagers in good irrigation practices.
    e. **Project Greenbelt:** With the intention of alleviating the effects of climate change caused by industrialisation in Aurangabad, STL proactively initiated Project Greenbelt. The programme has ensured that the approach road to MIDC, Waluj (Aurangabad) is lush green and pollution-free.

Section C: Other Details

1.	**Does the Company have any subsidiary company/companies?**	:	Yes
2.	**Do the subsidiary company/companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**	:	Yes, three (3) subsidiaries (Indian)

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? (Less than 30%, 30-60%, More than 60%):**

We offer end-to-end solutions to our customers and guide them on best practices and sustainable approaches during the laying of optical fibre cables, as well as over the course of the life of our products. Hence, by partnering with our esteemed customers, we have been able to further extend the reach of our initiatives. Overall, 30% of our customers are part of our BR initiatives. We are also increasing our efforts to extend our sustainable development commitment across the supply chain and collaborating with our suppliers.

Section D: BR Information

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1.	**DIN Number**	:	00057364
2.	**Name**	:	Dr. Anand Agarwal
3.	**Designation**	:	CEO & Whole-time Director

(b) Details of the BR Head

1.	**DIN Number (if applicable)**	:	03040078
2.	**Name**	:	Anupam Jindal
3.	**Designation**	:	Chief Financial Officer
4.	**Telephone number**	:	+91.20.30514000
5.	**E-mail id**	:	anupam.jindal@sterlite.com

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Principle Area	Code of Conduct	Product Responsibility	Employee Wellbeing	Stakeholder Engagement	Human Rights	Environment	Public Advocacy	CSR	Customer Value
1	Do you have a policy/ policies for...?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)[1]	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/CEO/appropriate Board Director?	Y	Y	N	Y	Y	Y	Y	Y	Y
5	Does the Company have specified committee of the Board/Director/ Official to oversee implementation of policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online	Code of Conduct[2]	Internal	Internal	Internal	Internal	Internal	Internal	CSR Policy[3]	Internal
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of the policy/ policies by an internal or external agency?	Y	Y	Y	N	N	Y	N	Y	Y

[1]Based on National Laws and Regulatory Frameworks

[2]www.sterlitetech.com/pdf/coc/Code-of-condact-24-page.pdf

[3]www.sterlitetech.com/pdf/coc/CSR-Policy-STL.pdf

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to two options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principles									
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within the next six months									
5	It is planned to be done within the next one year									
6	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company (within three months, three to six months, annually, more than one year)

The Board of Directors meet on a quarterly basis while the Sustainability Council, which is responsible for reviewing the BR performance, meets on monthly basis.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

We publish the Business Responsibility Report annually as part of our Annual Report. The first one was published for FY 2016-17. Additionally, we published the first sustainability report for FY 2017-18, which has been prepared as per globally accepted GRI sustainability reporting standards.

Section E: Principle-Wise Performance

Principle 1

Business should conduct and govern themselves with ethics, transparency and accountability

Uncompromising business ethics are an integral part of our values and it has always been our vision to live up to the highest standards while upholding integrity in every business transaction. We believe that ethical and economic values are interdependent and business communities must always strive to operate in compliance to the accepted global norms.

Our commitment towards ensuring that we conduct business and governance in a transparent and accountable manner is evident through our comprehensive set of policies such as the Code of Conduct and Ethics, Whistleblower and the Supply Chain Management policies. Each of these is an extension of our values and principles and provide the guidance required for managing business activities while maintaining utmost integrity.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/joint ventures/suppliers/contractors/NGOs/others?

Our Code of Conduct and Ethics policy applies to employees of STL and its subsidiaries.
Our Whistleblower policy applies to all employees of STL, its subsidiaries and all external stakeholders. Additionally, our supply chain partners are covered as part of the Supply Chain Management policy, which includes the principles on conducting business transactions with high level of ethics, transparency and integrity.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Details of the shareholder complaints are included in the Corporate Governance Report of the Annual Report under the section on Stakeholders' Relationship Committee.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability

STL is one of the few fully integrated optical fibre and cable manufacturers in the world. Our unique proposition of offering integrated solutions for clients enables us to proactively address sustainability challenges across the complete value chain.

Our actions are not only governed by the business perspective, but we also give due importance to the sustainability impacts of our operations, products and services. We have undertaken several initiatives in this regard, which have helped us reduce the impact of our products and services. We have initiated a comprehensive assessment of our manufacturing activities to evaluate the waste reduction opportunities.

1. List up to three of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Sterlite Smart City Solution Suite: We offer comprehensive service solutions in the form of Sterlite Smart City Solution Suite, which is an end-to-end approach for fast and future-proof network rollout. It is a unique offering that features complete programme management, project execution and network integration from infrastructure management to network applications.

Smart City Solution: Our Smart City Solution has been carefully designed keeping in mind sustainability risks with efforts to minimise our environmental footprint and avoid any detrimental social impacts. It not only enables speedy and targeted delivery of services, but also brings citizens closer to the government by enabling smarter services to citizens, providing efficient ways to connect with government agencies, improving productivity, service quality, better governance resulting in overall increase in economic development.

Enhanced safety through round-the-clock surveillance is another social benefit for citizens.

Life Cycle Assessment Study: Towards our endeavour of delivering world-class products and services while minimising the impact of our business activities on the environment and society, we have completed our first pilot Life Cycle Assessment Study for optical fibre cable. This study has helped us understand the environmental impacts of hotspots and will be instrumental in guiding our future product development. Thus, we aim to deeply embed sustainable practices in our products.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material and others) per unit of product (optional):

Reducing resource consumption is the heart of the Manufacturing Excellence Strategy and we have inculcated a culture wherein each employee is encouraged to identify opportunities for resource conservation. We firmly believe that this not only brings cost savings but also helps in mitigating risks in a resource constrained world. By adopting the principle of 'first time right', we have set ourselves an ambitious goal of eliminating rework and waste, which will help us in conserving valuable resources.

Through collective efforts, we have been successful in bringing down our energy and water use at our manufacturing locations compared to the previous year. On top of that, we continue to recycle and reuse treated effluents back into our processes to reduce our dependence on freshwater.

(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Business activities at STL are conducted with the firm objective of conserving precious resources. This is endeavored not only in the manufacturing, which happens at our facilities but also in upstream and downstream stages. We thus ensure that we can mitigate environmental impact that goes beyond the physical boundaries of our operations. Our first life cycle assessment study has been undertaken with the aim of scientifically quantifying these impacts and preparing a roadmap with measurable goals towards their reduction. This study is helping us understand environmental footprint from lifecycle perspective and evaluate opportunities across the value chain.

We are actively adopting principles of circular economy in our sourcing decisions. For example, we are reusing plastic spools several times by passing them from our one manufacturing unit to another, thereby extending their life. During the year, we have also successfully piloted replacing corrugated boxes with polypropylene boxes. These boxes are reused among our facilities like the spools. We now plan to replicate these learnings towards elimination of requirements for fresh packaging materials to a large extent.

We dispatch our cables to customers on large wooden drums, as well as pallets. We have been able to identify the opportunity to refurbish wooden drums and pallets in-house, which has helped us significantly reduce the requirement for fresh wood thus leading to conservation of natural resources.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Our products inherently do not consume any energy or water during their use. However, as is case with optical fibers, there are losses associated with it resulting in weakening of signals. These losses increase even more if there are several bends in the system. It has been our effort to develop cables with reduced losses thus leading to better efficiency while the cable is in use. This not only improves the overall signal quality but also results in significant savings in terms of energy requirements by our customers.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Our Supply Chain Management policy has been enacted to facilitate development of suppliers as long-term business partners. With such partners, we work closely on not only business focus areas, but also on sustainable development. We are continuously working with our suppliers towards identifying and addressing existing issues to achieve a sustainable supply chain.

Our vendor selection criteria gives due importance to the environmental and societal performance aspects and we regularly monitor our vendors to ensure that our suppliers are also operating according to the principles of sustainable development. We have started collecting data on sustainability credentials of our suppliers. This is in addition to mandatory engagement on regulatory requirements such as those related to REACH and RoHS. We regularly review the restricted substances list and connect with our suppliers to make sure that our sourcing database is up to date.

4. **Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?**

Driven by our vision of creating shared value for society while achieving success in business activities, we believe it is important to ensure that our operations should lead to prosperity for community members. As a result, we have made steady progress towards developing local vendor base and have assisted several suppliers in expanding their operations closer to our manufacturing facilities. In fact, as part of our responsible corporate citizenship commitment, all non-critical materials such as packaging, machine spares, job work and others are preferably procured from local vendors. We collaborate with these vendors to improve their skills and ensure that they meet our stringent requirements thus leading to a win-win partnership. We have observed that such vendors benefit immensely from these opportunities and several have been able to scale rapidly.

(a) **If yes, what steps have been taken to improve the capacity and capability of local and small vendors?**

As part of our capacity building programmes, we have engaged and developed local partners in Silvassa to produce and supply high-quality FRP and wooden drums. At Waluj and Shendra, we have a partner audit programme, which gives vendors useful inputs on improvement in quality, capability and other parameters.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

Recycling and reuse of solid waste has been a top priority for us. This is reflected in our vision of diverting 100% waste away from landfill. During the past year, our optical fibre cable manufacturing unit in Rakholi has been certified for successfully diverting more than 99% waste from landfill by effective recycling and reuse. Further, we are diverting close to 95% waste generated from facilities in India away from landfill.

Principle 3

Businesses should promote the wellbeing of all employees

To create and nurture a positive work environment where employees can excel professionally and lead an overall healthy lifestyle has always been among the core objectives of STL. This has been achieved through a mix of progressive policies and active engagement with employees on a regular basis to hear their feedback and help them grow. At STL, employee wellbeing has always been accorded paramount importance and our human resource strategy has been centered on this. Our commitments towards helping build a professionally rewarding career for our employees include:

- Providing and maintaining absolute transparency and equality during all stages of recruitment and employment, which discourages discrimination on any grounds
- Promoting wellbeing of employees by helping them achieve work-life balance and providing necessary facilities to them, including those with special needs
- Assisting the employees to move up the professional ladder and ensure availability of continual training and skill-upgradation opportunities and promote employee morale and career development
- Enabling a safe workplace free from all sorts of harassment and providing all required means and measures to ensure access to grievance redressal mechanism

1.	**Please indicate the total number of employees**	2,990
2.	**Please indicate the total number of employees hired on temporary/contractual/casual basis**	2,637
3.	**Please indicate the number of permanent women employees**	472
4.	**Please indicate the number of permanent employees with disabilities**	3
5.	**Do you have an employee association that is recognised by the management?**	Yes, in Italy
6.	**What percentage of your permanent employees holds membership of this recognised employee association?**	125 out of 2,990 (4%)
7.	**Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**	

No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

8. What percentage of your under-mentioned employees were given safety and skill up-gradation training in the last year?

(a) Permanent Employees	Safety Training for 100% employees and skill upgradation for 60% of our people
(b) Permanent Women Employees	Safety training for 100% women employees and skill upgradation for 63% our female teammates
(c) Casual/Temporary/Contractual Employees	Safety training for 100% employees with disabilities and skill upgradation for 15% (w.r.t the software B.U) of them.
(d) Employees with Disabilities	Safety training for 100% employees and skill upgradation for 50% (we have 2 eligible employees)

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the Company mapped its internal and external stakeholders?

We seek to constructively engage with all stakeholder groups, both internal as well as external, with an intent to create shared value. We have always adopted a proactive approach for reaching out to the stakeholders for gauging their perception, needs and expectations. This understanding has helped us to design interventions, which align with our business goals while bringing about a positive impact in the lives of people.

We recognise our stakeholders as any person or groups who are affected by our business activities and/or have a potential or actual impact on our business by the way of their presence in the vicinity of our operations or by the way of their perceptions and opinions. Over the years, we have identified and prioritised stakeholders by understanding their influencing ability and interest level. This has allowed us to map stakeholders effectively and come up with engagement strategies.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders.

We actively engage with the communities in the vicinity of our operations and our objective has been to identify and work towards upliftment of those who are socially and financially disadvantaged.

3. Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

Near our manufacturing facility in Silvassa, we are working towards bringing the tribal communities from nearby villages into mainstream through proactive interventions. Realising the critical need of the rural tribal population in Dadra & Nagar Haveli for primary healthcare services, we initiated our Mobile Medical Unit (MMU) programme. The MMU project is run in partnership with the Indian Red Cross Society. The programme has been providing free health checkups to 24 villages and has served more than two lakh patients till date. The project also includes preventive awareness programmes and monitoring of the challenges faced by the villagers.

The region of Marathwada where our Aurangabad facility is located has traditionally been drought prone due to scanty rainfall and unpredictable monsoons. Through our project 'Jaldoot', we have worked in the 13 worst affected villages to enhance the water storage capacity of existing structures and educate farmers on water conservation, use of irrigation and cropping patterns.

Jeewan Jyoti Women Empowerment Institute by Sterlite Tech Foundation operates to address issues like low literacy among women, social system that undermines women and underdeveloped education, social and economic infrastructure, among others in and around Ambavane through the institute's vocational courses, and personality and economic development programmes.

The details of these initiatives have been presented in the Annual Report on Corporate Social Responsibility as Annexure VI of the Directors' Report of the Annual Report.

Principle 5

Businesses should respect and promote human rights

Our commitment towards protecting and upholding human rights has been guided by principles propagated by United Nations Universal Declaration on Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We have enacted a policy on human rights, which draws from the abovementioned principles and applies to STL and its subsidiaries. Our approach towards human rights protection aligns to our fundamental commitment of conducting business in an ethical manner while ensuring that we adhere to the labour laws in communities where we operate.

To further ensure that our commitment towards respecting and promoting human rights are in sync with global efforts, we have now become signatory to United Nations Global Compact. This gives us opportunity to derive motivation from the world's largest forum on corporate sustainability and seek guidance where necessary.

We also ensure that every employee has access to platforms to voice their concerns and grievances in an appropriate manner, which is duly recorded and taken up for resolution. Details of all such helpline and communication channels, along with our policy commitments have been effectively communicated to every employee at all our facilities. These are also displayed prominently at key locations such that everyone has access to the information.

1. **Does the policy of the Company on human rights cover only the Company or is extend to the Group/joint ventures/suppliers/contractors/NGOs/others?**
   Our human rights policy is based on the principles of adherence to labour standards; ensuring health and safety for employees; recognition of freedom of association; zero tolerance for child and forced labour; promoting diversity and equal opportunities; ensuring absolute non-discrimination; and respecting and preserving culture and heritage of local communities. The policy applies to STL and our subsidiaries. We have taken steps towards implementation of these principles across our operations and value chain.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

2.1 Stakeholder complaints related to human rights received in the financial year	NIL
2.2 Stakeholder complaints related to human rights pending from previous year	NIL
2.3 Stakeholder complaints related to human rights resolved in the financial year	NIL

Principle 6

Business should respect, protect and make efforts to restore the environment

Environmental excellence is evident from the commitment of top management through the Quality, Environment, Health and Safety (QEHS) policy, which has been implemented across all STL facilities. The policy stresses on minimising pollution at sources and conserving natural resources. We have inculcated a culture for environmental conservation at every level in the organisational structure. This has been achieved through effective sensitisation about the imminent need for protecting and restoring the environment while minimising the footprint of our activities. During March 2018, we organised a mass tree plantation drive at Aurangabad led by STL employees, who actively volunteered towards the cause of planting over 1000 trees. We periodically organise such events with the objective of engaging employees on a larger scale as well as doing our bit towards conserving the environment.

1. **Does the policy relate to Principle 6 cover only the Company or extends to the Group/joint ventures/suppliers/contractors/NGOs/others?**
   The QEHS policy is applicable to STL, as well as our subsidiaries.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming and others? If yes, please give hyperlink for webpage etc.**
   At STL, we have always focussed on protecting our environment and ensure that air, water and land around us remain undisturbed and pristine. We aim to achieve this by conducting business activities synergistically with our surroundings. Driven by this commitment, we have given high priority to waste management while looking for every opportunity to reuse and recycle our waste and by-products in line with the principles of circular economy.

   In our effort to align our sustainability strategy with global sustainability issues, we have now become signatory to United Nations Global Compact (UNGC). By doing so, we have formally stated our commitment to work towards the 10 principles, including those on environment. We see our commitment to UNGC as a significant milestone in our sustainability journey and one which helps us in contributing to jointly address global sustainability and environmental issues.

   We recognise the challenges faced by communities residing in water stressed regions around Aurangabad. Hence, we have collaborated with villagers and government agencies through Project Jaldoot. Through this initiative, we are rejuvenating local water bodies and increasing water literacy. This in turn has helped in spreading awareness on water conservation and its sustainable use, along with water harvesting; thus, mitigating the adverse impact due to climate change and global warming. Further details about the same are hosted on the website of the Company at www.sterlitetech.com/b_business

3. **Does the Company identify and assess potential environmental risks?**
   Yes. We have established Sustainability Council, which is chaired by the CEO and meetings are held on periodic basis to review and assess the environmental risks facing the organisation, along with monitoring of various initiatives in progress. While sustainability has always been deeply ingrained in the organisational purpose at STL, the establishment of the Sustainability Council has been premised on the need for continually evaluating the sustainability risks faced by the

organisation in the evolving business scenario. As a result of growing customer awareness and ever stringent regulations coupled with the expanding market base of STL, we have put together a process to critically review the business strategy incorporating the potential effects of environmental risks in our operations.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
   Not Applicable

5. **Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page.**
   We have established an Energy Management System in our manufacturing plants, which provides real- time analysis of power consumption. This has enabled us to tap on the potential of energy saving and keep monitoring the opportunities for optimising energy usage. Initiatives such as efficient air conditioners, power factor correction equipment, variable frequency drives and timers for various electrical fitments have led to significant savings in electricity consumption.

   We are also actively considering adopting solar PV for meeting our non-process electricity consumption and have already incorporated Rainwater Harvesting (RWH) provisions in facility expansions, which have been completed recently. Apart from this, for our existing manufacturing locations, we have set up the infrastructure for collecting rainwater and using it for recharging the groundwater table.

6. **Are the emissions/waste generated by the Company within the permissible limits given by Central Pollution Control Board/State Pollution Control Board (CPCB/SPCB) for the financial year being reported?**
   Yes

7. **Number of show cause/ legal notices received from Central Pollution Control Board/State Pollution Control Board (CPCB/SPCB), which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
   As on the end of year, no show cause/legal notices are pending.

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:**
   - Federation of Indian Chamber of Commerce & Industry (FICCI)
   - Cellular Operator Association of India (COAI)
   - Associated Chambers of Commerce and Industry of India (ASSOCHAM)
   - Telecom Equipment Export Promotion Council (TEPC)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, others)**
   Yes, we are actively advocating for greater good of the public. The business scenario is undergoing a transformation with the rapid technological shift. In such a scenario, we have voiced our opinion at various forums and industry associations for promoting development of policies and regulatory frameworks for meeting the demands of an economically surging nation like India while also ensuring competitive environment.

Principle 8

Businesses should support inclusive growth and equitable development

Our commitment has always been to demonstrate highest standards of corporate citizenship and as a result, our approach has been to proactively evaluate social and environmental factors that can potentially influence our business activities in the long term. Based on this, we have defined a strategy to effectively engage with the impacted stakeholder groups.

Our CSR focus encompasses environmental protection, resource repletion, health and empowerment through education, working in partnership with credible non-profit organisations on a wide spectrum of related projects.

We consciously partner with communities in the vicinity of our manufacturing facilities and those geographic regions, which fall under the radius of our influence. We work with a clear goal to give back to society in such a way that the needs of the weaker sections are met, and improvements made in the quality of their lives.

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes, provide details thereof**
   The details of our CSR initiatives are presented in the CSR report, which is included as Annexure VI to the Directors' Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organisation?**
   The CSR projects are undertaken by Sterlite Tech Foundation either directly or through an external NGO or government structures.

3. Has the Company conducted any impact assessment of the initiatives?

For all projects, key performance indicators (KPIs) at three levels are selected based on which a project is monitored either directly by the Company or in collaboration with the NGO we are working with or a third-party agency:

- Activity indicators, which show if we are on track to deliver the activities in our project plan
- Outcome indicators, which tell us if project activities are making a difference
- Impact indicators, which tell us the short- to medium-term impact resulting from project outcomes

These KPIs are tracked on a monthly basis by the CSR team or our NGO partners. The CSR team is closely associated with the monitoring and evaluation process and uses tools like physical verification (site visits), group discussions at the CSR location, surprise visits and other techniques. The CSR team internally manages online CSR reporting platform to ensure projects are delivering according to the plan by making data on KPIs available readily for analysis and course correction.

Our Virtual Classrooms project, which is a part of the Sterlite School Tech programme measures the impact of the intervention through assessments at the beginning and at the end of each year. Through such impact assessment, we determine the effectiveness of pedagogy, as well as the improvement in students' performance. Similarly, for our tree plantation efforts, we have setup a detailed monitoring framework, which helps us track growth of each tree planted and maintain progress on periodic basis.

4. What is the Company's direct contribution to community development projects (amount in INR and the details of the projects undertaken)?

Details of our expenditure incurred on CSR initiatives are presented in the CSR report, which is included as Annexure VI to the Directors' Report.

5. Has the Company undertaken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

We conduct periodic reviews of all our CSR projects to determine the effectiveness of the initiatives. We also conduct an audit for our CSR projects, which is performed by an independent third-party agency and based on this the details are then reported in the Annual Report.

Our ultimate objective for each of our CSR interventions is to deliver shared value for society. Our concept of shared value rests on the belief that business value creation and societal value creation go hand in hand and achieving business prosperity is not possible unless society benefits from the business value creation.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

Being a customer-centric organisation, delivering products and solutions, which not only meet but exceed the clients' expectations has always been our prime objective. This has even been established through a robust QEHS policy, which aims at enhancing customer satisfaction through proactive understanding customers' changing requirements and global benchmarking. The policy also lays down our commitment to continually improve quality parameters, reduce total cost of the product, maximise recycling, reduce wastes, discharges and emission and prevent/minimise impact on population, thus creating further value for our customers.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Of the total customer complaints/consumer cases open at the beginning of the year and filed during FY 2018-19, 29% complaints/cases are pending as on March 31, 2019.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

All our product labels are made in compliance with the local law and consumer requirements.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There are no cases filed or pending against STL regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

We periodically reach out to our customers to understand their perceptions, as well as concerns through customer satisfaction (CSAT) surveys.
We monitor the trends of such surveys and necessary interventions are made as required.

Independent Auditors' Report

To the Members of Sterlite Technologies Limited

Report on the audit of the Standalone financial statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of Sterlite Technologies Limited ("the Company"), which comprise of the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, except for the indeterminate effects of the matter described in the Basis for Qualified Opinion paragraph of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Qualified opinion

3. We draw your attention to Note 44 to the standalone financial statements, which states that the Company in an earlier year received an order of CESTAT upholding a demand of ₹ 188 crores (including penalties but excluding interest) (₹188 crores as at March 31, 2018) in relation to a excise/customs matter. The Company's appeal against this order with the Honourable Supreme Court has been admitted. Based on the current status and legal advice received, the management has recognised a provision amounting to ₹ 4.5 crores as on March 31, 2019, (₹ 4.5 crores as at March 31, 2018), in respect of this matter based on its best estimate. Pending disposal of the matter by the Honourable Supreme Court, we are unable to comment on the adequacy of the provision made towards the amount of excise / customs duty payable.

4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 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 qualified opinion.

Emphasis of Matter – Amortisation of goodwill recognized on acquisition

5. We draw attention to Note 46 to the standalone financial statements which describes that the Company had recognised Goodwill on amalgamation during the financial year ended March 31, 2016, which is being amortised over a period of five years from the appointed date of September 29, 2015, in accordance with the accounting treatment prescribed under the Scheme of amalgamation approved by the Gujarat High Court. Our opinion is not modified in respect of this matter.

Key audit matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion paragraph above, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
1. Revenue Recognition on transition to Ind AS 115	
(Refer note 2(b), 3 and 51 to the standalone financial statements) Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers". Consequently, management has reviewed its existing contracts with customers under the model provided in Ind AS 115. Management has applied significant judgements with respect to: • Combination of contracts entered into with the same customer; • Identification of performance obligations; • Allocation of consideration to identified performance obligations; • Recognition of revenue over a period of time or at a point in time based on timing when control is transferred to customer. For assessment of the date of transfer of control, Management has obtained legal opinion in respect of certain arrangements. Further, for contracts where revenue is recognised over a period of time, the Company made estimates which impact the revenue recognition. Such estimates include, but are not limited to: • costs to complete, • contract risks, • price variation claims, • liquidated damages We focused on this area because a significant portion of the revenue generated requires management to exercise judgement and therefore could be subject to material misstatement due to fraud or error. In addition, first time disclosures required under Ind AS 115 have been identified as an area of focus for the current year.	Our testing approach included both tests of controls as well substantive procedures (i.e test of details). As part of our test of controls, we understood and evaluated the design and tested the operating effectiveness of controls over revenue recognition. Our substantive testing of revenue transactions was designed to cover certain large and complex contracts and testing of sample of other contracts. Our procedures included, among other things: • Reading of selected contracts to identify significant terms of the contracts; • Assessing appropriateness of management's significant judgements in accounting for identified contracts; • Evaluation of the contract terms and also consideration of the legal opinion obtained by Management with respect to assessment of the date of transfer of control; • Testing of timing of recognition of revenue (including procedures related to cut off) in line with the terms of contracts; • Testing the key management assumptions used to estimate contract cost, contract risks, claims etc; • Testing of journal entries for unusual/irregular revenue transactions; and • Consideration of the adequacy of the disclosures as required to be made by Management under the new standard. Based on above procedures, we did not note any significant exceptions in the estimates and judgements applied by the Management in revenue recognition including those relating to presentation and disclosures.
2. Accounting policy and fair valuation of investments in joint venture in accordance with Ind AS 109 Refer note 2 (o) (Accounting Policies) to the Standalone Financial Statements	
The Company makes investments in start-ups and growth companies. Such investment activity is separately managed from the manufacturing activities with a stated objective of earning a return from appreciation in the value of the investments and are made with identified exit strategies. The total carrying value of such investments as at March 31, 2019 is ₹ 22.86 crores. Management has concluded that basis the terms of the contract with the investee companies such investments will qualify to be investment in Associates or Joint Ventures. Further Management has evaluated the requirements of Ind AS 28 for availing the exemption from applying equity method of accounting and concluded that such exemption is available to the Company for such investments. The Company has accordingly elected to measure such investments at fair value through Profit and Loss account in accordance with Ind AS 109 in the standalone financial statements. Management has obtained a report from an independent valuer for determining the fair valuation of the investments as at the Balance Sheet date. We focused on this area as there was significant judgement involved in concluding whether the exemption from equity method of accounting for such investments is available to the Company and the fair valuation of these investments contain assumptions that are not observable.	Our audit procedures included: • Understanding the controls of the Company around investment strategy in start-ups and growth companies; • Evaluation of the design and testing the operating effectiveness of the aforesaid controls; • Evaluation of the Company's investment strategy and internal organization; • Consideration of the investment subscription agreements for the terms and conditions; • Discussion with the relevant management personnel engaged in managing the investment decisions and involved in such transactions to understand the purpose of such investments and how the investment activity is managed; • Evaluation of the criteria considered by the management in their conclusion on accounting treatment in accordance with the requirements of Ind AS 28 and Ind AS 109. • Consideration of adequacy of disclosures in the standalone financial statements along with related accounting policies. • Assessment of the methodology and the appropriateness of the valuation models and inputs used by management to value investments. Based on the results above procedures, we found the accounting policy followed by Management to be appropriate and did not find any material exceptions to management's estimates and judgements with regard to the accounting and fair valuation of investments in accordance with the relevant accounting standard.

Other Information

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

   Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

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

9. In preparing the standalone 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

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 standalone financial statements.

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

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

16. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph above, 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 other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) Except for the indeterminate effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) The outcome of the matter described in the Basis for Qualified Opinion paragraph above in our opinion, may have an adverse effect on the functioning of the Company.

    (f) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

    (g) The reservation relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

    (h) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (i) 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, in our opinion and to the best of our information and according to the explanations given to us:

        (i) Except for the matters described in the Basis for Qualified Opinion paragraph above, the Company has disclosed the impact, if any, of pending litigations as at March 31, 2019 on its financial position in its standalone financial statements – Refer Note 22, 39 and 44 to the standalone financial statements;

        (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 20 to the standalone financial statements;

        (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

        (iv) The reporting on disclosures relating to the Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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

Neeraj Sharma
Partner
Membership Number: 108391

Place: Pune
Date: April 23, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 16(h) of the Independent Auditors' Report of even date to the members of Sterlite Technologies Limited on the standalone financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of Sterlite Technologies Limited (the "Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended as on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to standalone financial statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may

become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls with reference to standalone financial statements as at March 31, 2019:

   The Company's internal financial controls over the evaluation and assessment of provision for an excise/customs matter pending with the Honourable Supreme Court were not operating effectively which could potentially result in the Company not recognising adequate provision in respect of this matter.
   Refer paragraph 3 of the main audit report.

   A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim standalone financial statements will not be prevented or detected on a timely basis.

Qualified opinion

9. In our opinion, except for the possible effects of the material weakness described in the Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as of March 31, 2019, 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 ICAI.

10. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2019 and the material weakness has affected our opinion on the standalone financial statements of the Company and we have accordingly issued a modified report on the standalone financial statements.

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

Neeraj Sharma
Partner
Membership Number: 108391

Place: Pune
Date: April 23, 2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Sterlite Technologies Limited on the standalone financial statements as of and for the year ended March 31, 2019

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a planned programme designed to cover all the items once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, fixed assets have been physically verified by the Management during the previous year and no material discrepancies have been noticed on such verification. Further, the physical verification of cables is impractical due the manner in which they have been installed/laid.

(c) The title deeds of immovable properties, as disclosed in Note 4 on fixed assets to the standalone financial statements, are held in the name of the Company.

ii. The physical verification of inventory excluding stocks lying with third party have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.

iii. The Company has not granted any secured or unsecured loans, to companies covered in the register maintained under Section 189 of the Act. There are no companies covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of manufacture of copper cables. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, duty of customs, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax and value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax, service tax, duty of customs and duty of excise as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount in INR Crores$	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944#	Excise Duty	188.00	2001-2003	Honourable Supreme Court
	Excise Duty	30.07	2001-2003	Bombay High Court
	Excise Duty	0.88	2002-2003	CESTAT Mumbai
	Excise Duty	1.16	2013-2017	Additional commissioner Central GST and Central Excise, Daman
Customs Act, 1962#	Custom Duty	1.64	2013-2014	The commissioner of Customs (appeals)
	Custom Duty	67.12	2001-2003	Mumbai High Court
Central Sales Tax Act, 1956	Central Sales Tax	0.38	2014-2015	Assistance Commissioner of State Tax, Ahmedabad
Finance Act, 1994	Service Tax	0.42	2002-2007	Bombay High Court
	Service Tax	0.45	1999-2003	Gujrat High Court
	Service Tax	0.14	2013-2017	Commissioner- Appeals - Nasik
	Service Tax	1.31	2013-16	CESTAT Gujrat
Income Tax Act, 1961*	Income Tax	2.67	AY 2013-14, AY 2015-16	Commissioner (Appeals) - Mumbai
	Income Tax	0.71	AY 2011-12, AY 2013-14, AY 2014-15, AY 2015-16	Commissioner (Appeals) - Ahmedabad
	Income Tax	0.04	AY 2012-13	Gujarat High Court
	Income Tax	0.15	AY 2010-11, 2009-10	Income Tax Appellate Tribunal - Ahmedabad

* Amount disclosed above are after considering the rectification application filed by the Company with Income tax authorities.

Demand disclosed above does not include the interest claimed but not quantified by the Central excise/customs authorities.

$ Net of amounts paid under protest.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date. As stated in Note 39 to the standalone financial statements, the Company continues to dispute amounts aggregating ₹ 18.87 crores claimed by a bank in the earlier years, towards import consignments under letter of credit not accepted by the Company, owing to discrepancies in documents. Since the matter is in dispute, we are unable to determine whether there is a default in repayment of dues to the said bank.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way term loans (including debt instruments) have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made a preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Neeraj Sharma
Partner
Membership Number: 108391

Place: Pune
Date: April 23, 2019

Balance Sheet
as at March 31, 2019

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

Particulars	Note	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
ASSETS			
Non-current assets			
Property, plant & equipment	4	1,750.31	990.88
Capital work-in progress		413.87	225.84
Investment property	7	-	8.88
Goodwill	5,6	44.29	73.93
Other intangible assets	5	14.00	14.71
Financial assets			
Investments	8	164.46	120.98
Trade receivables	9	1.76	4.09
Loans	10	115.63	90.02
Other non-current financial assets	11	42.37	7.69
Other non-current assets	12	20.62	97.74
		2,567.31	**1,634.76**
Current assets			
Inventories	13	381.01	306.04
Financial assets			
Investments	14	100.00	155.00
Trade receivables	9	1,178.77	862.46
Cash and cash equivalents	15A	58.43	69.20
Other bank balances	15B	88.93	6.22
Other current financial assets	11	97.95	68.20
Contract assets	12	1,093.02	-
Other current assets	12	332.20	261.20
Asset classified as held for sale	16	28.27	20.77
		3,358.58	**1,749.09**
Total Assets		**5,925.89**	**3,383.85**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	80.51	80.20
Other Equity	18	1,507.70	989.79
Total Equity		**1,588.21**	**1,069.99**
Non-current liabilities			
Financial liabilities			
Borrowings	19	581.71	616.22
Other financial liabilities	20	14.88	64.82
Employee benefit obligations	25	32.35	7.87
Provisions	22	0.72	24.96
Deferred tax liabilities (net)	24A	72.13	30.21
		701.79	**744.08**
Current liabilities			
Financial liabilities			
Borrowings	19	797.48	462.74
Trade payables	21		
(A) total outstanding dues of micro enterprises and small enterprises (refer note 41)		92.30	15.11
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,717.69	618.39
Other financial liabilities	20	629.66	287.53
Contract liabilities	23	269.31	-
Other current liabilities	23	49.59	136.43
Current tax liabilities (Net)	24B	55.38	-
Employee benefit obligations	25	14.52	22.75
Provisions	22	9.96	26.83
		3,635.89	**1,569.78**
Total liabilities		**4,337.68**	**2,313.86**
Total Equity & Liabilities		**5,925.89**	**3,383.85**
Summary of significant accounting policies	2		

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

As per our report of even date

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

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

Pravin Agarwal
Vice Chairman & Whole-time Director
DIN : 00022096

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Neeraj Sharma
Partner
Membership Number: 108391

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: April 23, 2019

Place: Pune
Date: April 23, 2019

Statement of Profit and Loss

for the year ended March 31, 2019

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

Particulars	Note	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
INCOME			
Revenue from operations	26	4,862.63	2,893.57
Other income	27	14.32	22.19
Total Income (I)		**4,876.95**	**2,915.76**
EXPENSES			
Cost of raw material and components consumed	29	2,583.40	1,131.10
Purchase of traded goods		30.58	32.99
(Increase) / decrease in inventories of finished goods, work-in-progress, traded goods and construction work-in-progress	29	(110.47)	16.68
Excise duty on sale of goods		-	28.46
Employee benefit expense	30	439.55	316.10
Other expenses	31	880.05	765.21
Total Expense (II)		**3,823.11**	**2,290.54**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**1,053.84**	**625.22**
Depreciation and amortisation expense	32	167.79	170.14
Finance costs	33	95.25	102.68
Finance Income	28	(20.52)	(14.84)
Profit before tax		**811.32**	**367.24**
Tax expense:			
Current tax	34	270.99	113.68
Deferred tax	34	5.10	(1.12)
Total tax expenses		**276.09**	**112.56**
Profit for the year		**535.23**	**254.68**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges		132.77	(49.01)
Income tax effect on the above		(46.39)	17.12
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**86.38**	**(31.89)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Remeasurements of defined benefits plans		(7.84)	0.10
Income tax effect on the above		2.74	(0.04)
Net movement on cash flow hedges		-	1.09
Income tax effect on the above		-	(0.38)
Change in fair value of FVOCI equity instrument		-	(3.20)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(5.10)**	**(2.43)**
Other comprehensive income for the year, net of tax		**81.28**	**(34.32)**
Total comprehensive income for the year		**616.51**	**220.36**
Earnings per equity share	36		
Basic			
Computed on the basis of profit for the year (₹)		13.32	6.38
Diluted			
Computed on the basis of profit for the year (₹)		13.16	6.28
Summary of significant accounting policies	2		

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

As per our report of even date

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

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

Pravin Agarwal
Vice Chairman & Whole-time Director
DIN : 00022096

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Neeraj Sharma
Partner
Membership Number: 108391

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: April 23, 2019

Place: Pune
Date: April 23, 2019

Statement of Changes in Equity

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

A. Equity Share Capital

Equity shares of ₹ 2 each issued, subscribed and fully paid	Note	No. in Crs.	Amount
At 01 April 2017		**39.83**	**79.66**
Changes in equity share capital	17	0.27	0.54
At 31 March 2018		**40.10**	**80.20**
Changes in equity share capital	17	0.15	0.31
At 31 March 2019		**40.25**	**80.51**

B. Other Equity

	Capital Reserve	Securities Premium	Employee stock option Outstanding	Debenture Redemption Reserve	General Reserve	Retained Earnings	Cash Flow Hedge Reserve	Total
As at 01 April 2017	**(19.06)**	**16.04**	**19.74**	**37.50**	**112.50**	**626.48**	**(1.69)**	**791.51**
Profit for the year	-	-	-	-	-	254.68	-	254.68
Other comprehensive income for the year	-	-	-	-	-	(3.14)	(31.18)	(34.32)
Total comprehensive income for the year	**(19.06)**	**16.04**	**19.74**	**37.50**	**112.50**	**878.02**	**(32.87)**	**1,011.87**
Addition on ESOPs exercised	-	11.89	-	-	-	-	-	11.89
Transferred to Securities premium account	-	-	(11.89)	-	-	-	-	(11.89)
Employees stock option expenses for the year (refer note 35)	-	-	13.39	-	-	-	-	13.39
Amount transferred to debenture redemption reserve	-	-	-	37.50	-	(37.50)	-	-
Equity dividend including taxes thereon (refer note 48)	-	-	-	-	-	(36.07)	-	(36.07)
Reclassified to Statement of profit and loss	-	-	-	-	-	-	0.60	0.60
As at 31 March 2018	**(19.06)**	**27.93**	**21.24**	**75.00**	**112.50**	**804.45**	**(32.27)**	**989.79**
Impact of change in accounting policy on adoption of Ind AS 115 (refer note 51)	-	-	-	-	-	(12.71)	-	(12.71)
Restated balance as at 01 April 2018	**(19.06)**	**27.93**	**21.24**	**75.00**	**112.50**	**791.74**	**(32.27)**	**977.08**
Profit for the year	-	-	-	-	-	535.23	-	535.23
Other comprehensive income for the year	-	-	-	-	-	(5.10)	86.38	81.28
Total comprehensive income for the year	**(19.06)**	**27.93**	**21.24**	**75.00**	**112.50**	**1,321.87**	**54.11**	**1,593.59**
Addition on ESOPs exercised	-	10.75	-	-	-	-	-	10.75
Transferred to Securities premium account	-	-	(10.75)	-	-	-	-	(10.75)
Employees stock option expenses for the year (refer note 35)	-	-	19.16	-	-	-	-	19.16
Equity dividend including taxes thereon (refer note 48)	-	-	-	-	-	(96.80)	-	(96.80)
Transferred to Statement of profit and loss	-	-	-	-	-	-	(8.25)	(8.25)
As at 31 March 2019	**(19.06)**	**38.68**	**29.65**	**75.00**	**112.50**	**1,225.07**	**45.86**	**1,507.70**

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

As per our report of even date

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

Neeraj Sharma
Partner
Membership Number: 108391

Place: Pune
Date: April 23, 2019

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

Pravin Agarwal
Vice Chairman & Whole-time Director
DIN : 00022096

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: April 23, 2019

Statement of Cash Flows
for the year ended March 31, 2019

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

Particulars	Note	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
A. Operating activities			
Profit before tax		**811.32**	**367.24**
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and impairment of property, plant & equipment		133.19	135.82
Amortization & impairment of intangible assets		34.51	34.18
Depreciation of investment properties (refer note 7)		0.09	0.15
Provision for doubtful debts and advances		5.91	13.53
Provision for warranty		-	13.92
Bad debts / advances written off		17.19	10.54
Cash flow hedge movement		-	0.60
(Profit)/Loss on sale of assets, net		(2.08)	1.65
Rental income		(2.01)	(2.68)
Employees stock option expenses		19.16	13.39
Changes in fair value of investment in joint venture		1.74	-
Finance costs		95.25	102.68
Finance income		(20.52)	(14.84)
Unrealized exchange difference		(2.88)	(2.31)
		279.55	**306.63**
Operating profit before working capital changes		**1,090.87**	**673.87**
Working capital adjustments:			
Increase/(decrease) in trade payables		1,191.07	198.67
Increase/(decrease) in long-term provisions		(24.24)	-
Increase/(decrease) in short-term provisions		(16.87)	-
Increase/(decrease) in other current liabilities		(86.84)	89.33
Increase/(decrease) in other current financial liabilities		(28.05)	(52.31)
Increase/(decrease) in contract liabilities		269.31	-
Increase/(decrease) in other non-current financial liabilities		1.61	28.91
Increase/(decrease) in non current employee benefit obligations		16.64	(4.29)
Increase/(decrease) in current employee benefit obligations		(8.23)	9.06
Decrease /(increase) in current trade receivable		(351.48)	(184.02)
Decrease /(increase) in non current trade receivable		2.33	0.43
Decrease /(increase) in inventories		(74.97)	3.27
Decrease /(increase) in long-term loans		(25.61)	(31.15)
Decrease/(increase) in other current financial assets		25.18	(0.55)
Decrease/(increase) in contract assets		(1,093.02)	-
Decrease /(increase) in other non-current financial assets		(34.68)	3.20
Decrease /(increase) in other current assets		(71.00)	(51.82)
Decrease/(increase) in other non-current assets		1.51	2.15
Change in working capital		**(307.34)**	**10.88**
Cash generated from operations		**783.53**	**684.75**
Income tax paid (net of refunds)		(191.06)	(89.40)
Net cash flow from operating activities		**592.47**	**595.35**

Statement of Cash Flows
for the year ended March 31, 2019

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

Particulars	Note	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
B. Investing activities			
Purchase of property, plant and equipment		(736.72)	(290.19)
Receipt of government grant for investment in property, plant & equipment		28.82	-
Purchase of intangible assets		(4.15)	(6.70)
Proceeds from sale of property, plant and equipment		5.96	1.82
Investment in subsidiaries		(40.22)	-
Purchase of non- current investments		(5.00)	(9.60)
Investment in asset held for sale		(7.50)	-
Purchase of current investments		(100.00)	(357.49)
Proceeds of current investments		155.00	238.86
Investment in bank deposits (having original maturity of more than three months)		(82.17)	(0.51)
Redemption of bank deposits (having original maturity of more than three months)		-	4.72
Unpaid Dividend		(0.54)	(2.83)
Rental income		2.01	2.68
Advances given to subsidiaries / joint ventures		-	(21.17)
Interest received (finance income)		20.55	13.36
Net cash flow used in investing activities		**(763.96)**	**(427.05)**
C. Financing activities			
Proceeds from long term borrowings		106.42	150.00
Repayment of long term borrowings		(84.90)	(63.63)
Proceeds/(repayment) from/of short term borrowings (net)		334.74	(126.01)
Proceeds from issue of shares against employee stock options		0.31	0.54
Interest paid		(99.04)	(95.38)
Dividend paid on equity shares		(80.30)	(29.97)
DDT on equity dividend paid		(16.51)	(6.10)
Net cash flow used in financing activities		**160.72**	**(170.55)**
Net increase/(decrease) in cash and cash equivalents		**(10.77)**	**(2.25)**
Cash and cash equivalents as at beginning of year (Refer note 15A)		69.20	71.45
Cash and cash equivalents as at year end (Refer note 15A)		**58.43**	**69.20**
Components of cash and cash equivalents:			
Balances with banks:		58.40	69.17
Cash in hand		0.03	0.03
Total cash and cash equivalents		**58.43**	**69.20**

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

As per our report of even date

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

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

Pravin Agarwal
Vice Chairman & Whole-time Director
DIN : 00022096

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Neeraj Sharma
Partner
Membership Number: 108391

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: April 23, 2019

Place: Pune
Date: April 23, 2019

Notes
to standalone financial statements for the year ended March 31, 2019

1. Corporate information
Sterlite Technologies Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The registered office of the Company is located at E 1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra, India. The Company is primarily engaged in the business of Connectivity and Network solutions.

The Company is a global leader in end-to-end data network solutions. The company designs and deploy high-capacity converged fibre and wireless networks. With expertise ranging from optical fibre and cables, hyper-scale network design, and deployment and network software, the company is the industry's leading integrated solutions provider for global data networks. The company partners with global telecom companies, cloud companies, citizen networks and large enterprises to design, build and manage such cloud-native software-defined networks.

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

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

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

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Share based payments
- Defined benefit plans - plan assets measured at fair value
- Asset held for sale – measured at fair value less cost to sale.

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

Amended standards adopted by the Company

The company has applied Ind AS 115 for the first time for their annual reporting period starting from April 01, 2018. Company has disclosed the impact of adoption of Ind AS 115 in note 51 to the financial statements.

Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

a) Foreign currency translation

Functional and presentation currency

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

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

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

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

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

b) Revenue from contracts with customers
Ind AS 115 Revenue from contracts with customers has been issued with effect from April 1, 2018. The new standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

A new five-step process must be applied before revenue can be recognised:

(i) identify contracts with customers

(ii) identify the separate performance obligation

(iii) determine the transaction price of the contract

(iv) allocate the transaction price to each of the separate performance obligations, and

(v) recognise the revenue as each performance obligation is satisfied.

Transition
On transition to Ind AS 115, the Company has elected to adopt the new revenue standard as per cumulative catch-up transition method. As per the cumulative catch-up transition method, the Company has recognized the cumulative effect of initially applying the Ind AS 115 as at April 1, 2018 in retained earnings. The comparative financial statements for year ended March 31, 2018 are not restated.

Revenue recognition policy
The Company has following streams of revenue:

(i) Revenue from sale of goods

(ii) Revenue from sale of services

(iii) Revenue from network integration projects

(iv) Revenue from software products/licenses and implementation activities

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

The Company identifies distinct performance obligations in each contract. For most of the network integration projects contracts, the customer contracts with the Company to provide a significant service of integrating a complex set of tasks and components into a single project or capability. Hence, the entire contract is accounted for as one performance obligation.

However, the Company may promise to provide distinct goods or services within a contract, for example when a contract covers multiple promises (e.g., construction of network with its maintenance and support), in which case the Company separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

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

(a) The customer simultaneously consumes the benefits as the Company performs, or

(b) The customer controls the work-in-progress, or

(c) The Company's performance does not create an asset with alternative use to the Company and the Company has right to payment for performance completed till date

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

The Company uses input method to measure the progress for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the input method measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Revenue in respect of operation and maintenance contracts is recognized on a time proportion basis.

Due to the nature of the work required to be performed on performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for network integration projects contracts to contain liquidated damages on delay in completion/performance, bonus on early completion, or other provisions that can either increase or decrease the transaction price. These variable amounts generally are awarded upon achievement of certain performance metrics, program milestones or cost targets and may be based upon customer discretion.

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

Contracts are modified to account for changes in contract specifications and requirements. The Company considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

When estimates of total costs to be incurred exceed total estimates of revenue to be earned on a performance obligation related to a contract, a provision for the entire loss on the performance obligation is recognized in the period.

For fixed price contracts, the customer pays the fixed amount based on the payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognized. If the payment exceed the services rendered, a contract liability is recognised.

All the qualitative and quantitative information related to significant changes in contract asset and contract liability balances such as impairment of contract asset, changes due to business combination, changes in the timeframe for a performance obligation to be satisfied are disclosed by the Company at every reporting period.

Revenue recognised at a point-in-time

For sale of products, revenue is recognized at point in time when control of goods is transferred to the customer - based on delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

c) Other Income

1. Interest income

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

2. Dividends

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

3. Rental income

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

d) Government grants

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

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

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

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

e) Income Taxes

Current income tax

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

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

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date. Deferred tax is not accounted when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

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

- In respect of deductible temporary differences between the carrying amount and tax bases of investments in subsidiaries, branch, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in

Notes

to standalone financial statements for the year ended March 31, 2019

the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the current tax assets and tax liabilities are offset when the entity has a legally enforceable right to offset and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

f) Property, plant and equipment

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

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

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

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

Asset Category	Useful Life considered	Useful life (Schedule II#)
Plant and Machinery	3 - 25 Years *	Continous process plant -25 Years Others - 15 Years
Furniture and fixtures	7.5 - 10 Years *	10 Years
Data processing equipment	3 - 5 Years *	Service and networks -6 years and Desktops and laptop etc - 3 Years
Office equipment	4 - 5 Years *	5 Years
Electric fittings	4 - 10 Years *	10 Years
Vehicles	4 - 5 Years *#	8 Years

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

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

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

The Company depreciates building using straight line method over 30 to 60 years from the date of original purchase.

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

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

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

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

g) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The Company, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful life which is also the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

h) 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.

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

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

Softwares are amortised on a straight line basis over a period of five to six years.

All other intangible assets are amortised on a straight line basis over a period of five to six years.

Goodwill on amalgamation is amortised on a straight line basis over a period of five years from the date of amalgamation as per the Court Order.

Research costs are expensed as incurred.

i) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains,

Notes
to standalone financial statements for the year ended March 31, 2019

a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly stated in the arrangement.

Company as a lessee
A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risk and rewards of ownership are not transferred to the Company are classified as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payment are structured to increase inline with the expected general inflation to compensate for the lessors expected inflationary cost increases.

Company as a lessor
Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the receipts are structured to increase inline with the expected general inflation to compensate for the expected inflationary cost increases. 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.

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

The respective leased assets are included in the balance sheet based on their nature.

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

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

l) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. Provisions are not recognised for future operating losses.

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

m) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) Defined benefit plans in the nature of gratuity and

(b) Defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

n) Share-based payments

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with

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a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g., the entity's share price)
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

o) Investment and Other Financial assets

i) Classification & Recognition:

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

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

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

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

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

ii) Measurement:

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

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

Debt instruments

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

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

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

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

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

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

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

The Company makes investments in certain joint ventures and associates with the objective to generate growth in the medium term and with identified exit strategies. Such investments are managed on a fair value basis. The company has elected to measure investments in such joint ventures and associates in accordance with Ind AS 109.

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Lease receivables under Ind AS 17

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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

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

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

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

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

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

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

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

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

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

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

iv) Decognition of financial asset

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

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

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

v) Reclassification of financial assets

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

p) Financial liabilities

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 3o days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

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

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

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

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

Borrowing Costs

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

q) Offsetting of financial instruments

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

r) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges). The company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the company designate the full change in fair value of the forward contract as the hedging instrument. The gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

- With respect to gain or loss relating to the effective portion of the forward contracts, the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses). If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

Derivatives that are not designated as hedges

The company enters into certain derivative contracts to hedge risks which are not designated as hedges.

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Such contracts are accounted for at fair value through profit or loss and are included in statement of profit and loss.

Embedded derivatives
Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

s) Financial Guarantee Contracts
Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the priciples of Ind AS 115.

The fair value of financial guarantees is determined based on the present value of the difference between the cash flows between the contractual payments required under the debt instrument and the payments that would be without the guarantee, or the estimated amount that would be payable to the third party for assuming the obligations.

Where the guarantees in relation to the loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

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

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

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

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

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

w) 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

x) Trade receivable
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless there is significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective to collect contractual cash flows and therefore

measures them subsequently at amortised cost using the effective interest method, less provision for impairment.

y) Segment Reporting

Operating segments are report in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors has been identified as being the CODM. Refer note 52 for segment information presented.

z) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

aa) Rounding of amount

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

2.2 Recent accounting pronouncements

a) Ind AS 116- Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months,unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2019 and that comparatives will not be restated.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

The company is in the process of assessing the detailed impact of Ind AS 116.

b) Ind AS 12 Income taxes - Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or company of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019.

c) Amendment to Ind AS 12 – Income taxes – Amendments related to income tax consequences of dividend:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company currently evaluating the effect of this amendment on the financial statements.

d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

- Effective date for application of this amendment is annual period beginning on or after April 1, 2019. Currently, the Company does not have any impact on account of this amendment

3: Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements requires the use of accounting estimates. Management also needs to exercise judgement in applying the company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is described below.

Impairment of Goodwill

The company tests whether goodwill has suffered any impairment on an annual basis. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount of a cash generating unit (CGU) is determined based on value in use calculations. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used. The key assumptions used to determine the recoverable amount for goodwill including a sensitivity analysis are disclosed and further explained in Note 6.

Estimation of provision for Excise/Customs matter

The Company had in an earlier year received an order of CESTAT upholding a demand of ₹ 188 crores (including penalties and excluding interest) (₹ 188 crores as at March 31, 2018) in a pending excise/customs matter against which the Company's appeal with the Honourable Supreme Court has been admitted. The details of the matter and the amount of provision made based on management's estimate are disclosed and further explained in Note 44.

Revenue Recognition on Contracts with Customers

The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the distinct goods/services and the ability of the customer to benefit independently from such goods/services. Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, liquidated damages, penalties, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Company uses judgement to determine an appropriate standalone selling price for a performance obligation (allocation of transaction price). The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus reasonable margin approach to allocate the transaction price to each distinct performance obligation.

The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, timing gap between transfer of control and actual revenue recognition, etc.

Revenue for fixed-price contract is recognised using the input method for measuring progress. The company uses cost incurred related to total estimated costs to determine the extent of progress towards completion. Judgement is involved to estimate the future cost to complete the contract and to estimate the actual cost incurred basis completion of relevant activities towards fulfilment of performance obligations.

Contract fulfilment costs are generally expensed as incurred except for costs that meet the criteria for capitalisation. Such costs are amortised over the life of the contract.

Uninstalled materials are materials that will be used to satisfy performance obligations in a contract for which the cost incurred does not depict transfer to the customer. The Company excludes cost of uninstalled materials for measuring progress towards satisfying a performance obligation if it involves only provision of a procurement service. In case of uninstalled materials, the Company recognises revenue equal to the cost of the uninstalled materials if the goods are distinct, the customer is expected to obtain control of the goods significantly before services related to the goods are rendered, the cost of the transferred goods is significantly relative to the total expected costs to completely satisfy the performance obligation and the goods are procured from a third party wherein there is no involvement of the Company in designing and manufacturing of the good.

Share-based payments

The Company measures the cost of equity-settled transactions with employees using Black Scholes model and Monte carlo's simulation model to determine the fair value of options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions relating to vesting of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 35.

Defined benefit plans

The cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, employee turnover and expected return on planned assets. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the year end. Details about employee benefit obligations and related assumptions are given in Note 25.

Notes
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Note 4: Property, Plant & Equipment

(Amounts ₹ crores)

	Freehold land	Leasehold land	Buildings#	Plant & machinery	Furniture & fixtures	Data processing equipments	Office equipments	Electrical fittings	Vehicles	Total
Cost										
At 01 April 2017	**63.99**	**33.41**	**216.00**	**1,451.48**	**16.38**	**49.38**	**13.30**	**44.71**	**9.18**	**1,897.83**
Additions	3.75	0.79	12.82	94.82	0.25	6.96	0.61	1.63	2.34	123.97
Disposals/Adjustments	-	-	(1.03)	(15.74)	(0.22)	(1.81)	(0.15)	(0.22)	(0.31)	(19.48)
At 31 March 2018	**67.74**	**34.20**	**227.79**	**1,530.56**	**16.41**	**54.53**	**13.76**	**46.12**	**11.21**	**2,002.32**
Additions	-	2.52	160.86	698.91	0.76	5.55	1.84	11.81	5.45	887.70
Transfer from Investment property (refer note 7)	-	-	10.03	-	-	-	-	-	-	10.03
Disposals/Adjustments	-	-	(0.24)	(17.28)	(0.22)	(0.86)	(0.12)	(0.05)	(4.16)	(22.93)
At 31 March 2019	**67.74**	**36.72**	**398.44**	**2,212.19**	**16.95**	**59.22**	**15.48**	**57.88**	**12.50**	**2,877.12**
Depreciation, amortization & Impairment										
At 01 April 2017	**-**	**2.07**	**49.56**	**770.54**	**7.71**	**28.05**	**8.12**	**22.04**	**3.56**	**891.65**
Additions	-	0.29	12.65	99.69	2.36	7.72	1.54	3.08	1.54	128.87
Disposals/Adjustments	-	-	(0.18)	(6.56)	(0.20)	(1.56)	(0.14)	(0.15)	(0.29)	(9.08)
At 31 March 2018	**-**	**2.36**	**62.03**	**863.67**	**9.87**	**34.21**	**9.52**	**24.97**	**4.81**	**1,011.44**
Additions	-	0.31	14.13	99.76	2.03	7.83	1.67	5.77	1.69	133.19
Transfer from Investment property (refer note 7)	-	-	1.24	-	-	-	-	-	-	1.24
Disposals/Impairment loss/Adjustments	-	-	(0.09)	(14.71)	(0.16)	(0.84)	(0.11)	(0.05)	(3.10)	(19.06)
At 31 March 2019	**-**	**2.67**	**77.31**	**948.72**	**11.74**	**41.20**	**11.08**	**30.69**	**3.40**	**1,126.81**
Net Book Value										
At 31 March 2019	67.74	34.05	321.13	1,263.47	5.21	18.02	4.40	27.19	9.10	1,750.31
At 31 March 2018	67.74	31.84	165.76	666.89	6.54	20.32	4.24	21.15	6.40	990.88

Movement in Capital work in progress	
Opening balance as at 01 April 2018	**225.84**
Additions during the year	1,022.36
Borrowing cost capitalised during the year (Refer Note 33)	53.37
Transfers during the year	(887.70)
Closing balance as at 31 March 2019	**413.87**

Capital work in progress mainly comprises amounts pertaining to plant & machinery.

 # Buildings include those constructed on leasehold land:

	31 March 2019	31 March 2018
Gross Block	269.77	118.25
Depreciation for the year	10.30	4.25
Accumulated depreciation	45.84	35.54
Net Block	223.93	82.71

Refer note 19 for information on property, plant and equipment pledged as security by the Company.
Refer note 38 for disclosure of capital commitments for the acquistion of property, plant & equipments.

Note 5: Intangible Assets

(Amount ₹ in crores)

	Software/ licenses	Patents	Indefeasible Right of use	Customer acquisition	Goodwill (Refer note 6)	Total
Cost						
At 01 April 2017	**20.50**	**9.31**	**1.00**	**5.63**	**148.19**	**184.63**
Additions	6.61	-	-	0.09	-	6.70
At 31 March 2018	**27.11**	**9.31**	**1.00**	**5.72**	**148.19**	**191.33**
Additions	4.16	-	-	-	-	4.16
At 31 March 2019	**31.27**	**9.31**	**1.00**	**5.72**	**148.19**	**195.49**
Amortization & Impairment						
At 01 April 2017	**12.27**	**9.31**	**0.33**	**1.98**	**44.62**	**68.51**
Additions	3.87	-	0.07	0.60	29.64	34.18
At 31 March 2018	**16.14**	**9.31**	**0.40**	**2.58**	**74.26**	**102.69**
Additions	4.22	-	0.08	0.56	29.65	34.51
At 31 March 2019	**20.36**	**9.31**	**0.48**	**3.14**	**103.91**	**137.20**
Net Book Value						
At 31 March 2019	10.91	-	0.52	2.57	44.29	58.29
At 31 March 2018	10.97	-	0.60	3.14	73.93	88.64

Note 6: Impairment Testing of Goodwill

The Company has performed its annual impairment test by computing the recoverable amount based on a value in use calculations which require the use of assumptions as given in table below. The calculations use cash flow projections from financial budgets approved by senior management covering a period of five years. The management has not identified any instances that could cause the carrying amount of the CGU's to exceed the recoverable amount. Goodwill generated on acquisition of Elitecore Technologies Private Limited ('ETPL') which was merged with the Company with effect from 29 September 2015 is attributable to Network Software cash generating units ('CGU').

	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Goodwill (refer note 5)	44.29	73.93

Key assumptions used in the value in use calculations

The following table provides the key assumptions for this CGU that have goodwill allocated to them:

Long-term EBIDTA margins over the budgeted period	10.50%-16.50%	7.00% - 13.00%
Long-term terminal Growth rate	5.00%	5.00%
Pre-tax discount rate	15.70%	15.70%

Discount rate

Discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the CGU and is derived from the CGU's weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the investors. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service. CGU specific risk is incorporated by applying individual beta factor. The beta factor is evaluated annually based on publicly available market data.

Growth rate

The Company has considered growth rate to extrapolate cash flows beyond the forecast period, consistent with the industry forecasts.

EBITDA margins

EBITDA margins are based on the actual EBITDA of respective CGU based on the past trend and future expectations.

Notes
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Sensitivity to changes in assumptions of CGU
The management believes that no reasonably possible change in any of the key assumptions used in the value in use calculation would cause the carrying value of the CGU to materially exceed its value in use.

Note 7: Investment Property

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Cost		
Opening gross block	10.03	10.03
Addition	-	-
Transferred to property, plant & equipment during the year (refer note 4)	(10.03)	-
Closing gross block	**-**	**10.03**
Accumulated Depreciation		
Opening balance	1.15	0.99
Additions	0.09	0.16
Transferred to property, plant & equipment during the year (refer note 4)	(1.24)	-
Closing balance	**-**	**1.15**
Net Block	**-**	**8.88**

Amounts recognised in profit and loss for investment property

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Rental income derived from investment properties	0.57	0.86
Direct operating expenses (including repairs and maintenance) from property generating rental income	(0.01)	(0.01)
Profit arising from investment properties before depreciation	**0.56**	**0.85**
Less: Depreciation	(0.09)	(0.16)
Profit arising from investment properties	**0.47**	**0.69**

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Fair Value	**NA**	**15.07**

The Company's investment property consisted of a commercial property in India.

As at 31 March 2018 the fair value of the investment property was ₹ 15.07 crores. This value was based on valuations performed by the management on the basis of available market quotes/ prevalent property prices in the same and nearby localities (Fair value judgements and estimates as per Level 2 hierarchy).

The Company had no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

During the current year, company has started using the property for its own use and therefore the same has been reclassified to Property, plant and equipment . (Refer note 4)

Note 8: Investments

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Non-current investments in equity instruments (fully paid up) (unquoted)		
Investment in Subsidiaries		
Equity component of debt instrument		
44,705,928 (31 March 2018: 44,705,928) 0.01% compulsory convertible debentures of Speedon Network Limited	32.42	32.42
Equity investments at cost		
12,381,447 (31 March 2018: 12,381,447)	67.14	67.14
Equity shares of Sterlite Global Ventures (Mauritius) Limited of USD 1 each fully paid up		
50,50,000 (31 March 2018: Nil) Equity shares of Sterlite Tech SPA of Euro 1 each fully paid-up	40.23	-
50,000 (31 March 2018: Nil) Equity shares of Sterlite Innovative Solutions Limited of ₹ 10 each fully paid-up	0.05	-
50,000 (31 March 2018: Nil) Equity shares of Sterlite Tech Connectivity Solutions Limited of ₹ 10 each fully paid-up	0.05	-
1,550,000 (31 March 2018: 1,550,000) Equity shares of Speedon Network Limited of ₹ 10 each fully paid-up	- *	- *
Nil (31 March 2018: 2,000) Equity shares of Sterlite Technologies Europe Ventures Limited of Euro 1 each fully paid-up$$	-	0.10
5,000 (31 March 2018: 5,000) Equity shares of Sterlite Technologies UK Ventures Limited of Euro 1 each fully paid-up	0.04	0.04
100% Equity shares of Sterlite (Shanghai) Trading Company Limited fully paid-up	1.53	1.53
1,98,75,404 (31 March 2018: 1,34,97,853) Equity shares of Maharashtra Transmission Communication Infrastructure Limited of ₹ 10 each fully paid up (Refer Note 16)	-*	-*
7,606 (31 March 2018: 7,606) Equity shares of Elitecore	0.14	0.14
Technologies (Mauritius) Limited of MUR 100 each fully paid up		
1000 (31 March 2018: 1000) Equity shares of Sterlite Tech Holding Inc. USA	0.00*	0.00*
100 (31 March 2018: 100) Equity shares of Elitecore Technologies SDN, BHD##	-*	- *
Investment in Joint venture at fair value through P&L$		
333 (31 March 2018: 333) Equity shares of Metis Eduventures Private Limited	0.26	2.00
Investments - Other at fair value through OCI		
10 (31 March 2018: 10) Equity shares of Singularity Healthcare IT Systems Private Limited of ₹ 10 each fully paid up	-*	- *
Investment in debentures (unquoted)		
Investment in debentures- Joint Venture at fair value through P&L		
17,600,000 (31 March 2018: 17,600,000) 0.001% Compulsorily Convertible Debentures of Metis Eduventures Private Limited	17.60	17.60
5,000,000 (31 March 2018: Nil) 0.001% Cumulative Optionally Convertible Debentures of Metis Eduventures Private Limited	5.00	-
Investment in debentures- (Others, at fair value through OCI)		
3,199,990 (31 March 2018: 3,199,990) 0.001% Compulsorily Convertible Debentures of	-*	- *
Singularity Healthcare IT Systems Private Limited of ₹ 10 each fully paid up		
Total Investments	**164.46**	**120.98**
Total non-current investments		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	164.46	120.98
Amount of impairment in the value of investments**	1.74	3.20

* Amount is below the rounding off norm followed by the Company.

As per regulations of country in which subsidiary is domiciled equity investment is not required for the incorporation of the company.

$ As described in Significant accounting policies (refer note 2), the Company makes investments in certain joint ventures and associates with the objective to generate growth in the medium term and with identified exit strategies. Such investments are managed on a fair value basis. As permitted by Ind AS 28, the company has elected to measure such investments in joint ventures and associates in accordance with Ind AS 109.

$$ During the year, Sterlite Technologies Europe Ventures Limited has been liquidated with effect from May 16, 2018.

** These amounts pertain to fair value change in the investment recognised during the year.

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Note 9: Trade Receivables

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Non-current		
Trade receivables	1.76	4.09
	1.76	**4.09**
Break-up for security details		
- Unsecured, considered good	1.76	4.09
	1.76	**4.09**
Total Non-current trade receivables	**1.76**	**4.09**

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Current		
Trade receivables	1,157.58	831.04
Receivables from related parties (Refer Note 50)	51.17	31.42
	1,208.75	**862.46**
Break-up for security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,178.77	862.46
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	29.99	24.08
Total	**1,208.76**	**886.54**
Less: Impairment Allowance	29.99	24.08
Total Current trade receivables	**1,178.77**	**862.46**

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

Refer note 19 for information on trade receivables hypothecated as security by the Company.

Note 10: Loans

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Non-current		
Loans to related parties (refer note 50)	114.93	89.59
Loans to employees	0.70	0.43
Total non-current loans	**115.63**	**90.02**
Break-up for security details		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	115.63	90.02
Loans which have significant increase in credit risk	-	-
Loans - Credit impaired	-	-
Total	**115.63**	**90.02**

Note 11: Other Financial Assets

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Non-current (Unsecured, considered good)		
Derivative instruments		
Foreign exchange forward contracts	33.34	-
Others		
Security deposits	8.81	7.02
Others	0.22	0.67
Total other non-current financial assets	**42.37**	**7.69**
Current (Unsecured, considered good)		
Derivative instruments		
Foreign exchange forward contracts	58.25	2.26
Currency/ Interest rate swaps	0.28	1.31
Others		
Security deposits	6.59	3.45
Interest accrued on investments/deposits	0.26	0.29
Financial guarantee receivable	10.37	-
Others*	22.20	60.89
Total other current financial assets	**97.95**	**68.20**

*This includes expenses incurred on behalf of customer, amounting to ₹ 18.04 crores (31 March 2018: ₹ 49.83 crores)

Refer note 19 for information on financial assets hypothecated as security by the Company.

Note 12: Other Assets

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Non-current		
Capital advances (Unsecured, considered good)	16.99	68.03
Advance income tax, including TDS (net of provisions)	-	24.57
Prepaid expenses	3.63	5.14
Total other non-current assets	**20.62**	**97.74**
Contract assets (refer note 51)	**1,093.02**	**-**

Significant changes in Contract assets

Contract assets have increased from previous year as entity has incurred costs towards the fulfilment of performance obligations identified under the contracts with customers before the billing milestone for fixed price contracts.
There is no impairment allowance for the contract assets for current year.

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Current		
Prepaid expenses	39.60	10.83
Balances with Government authorities	250.19	66.39
Gross amount due from customers for construction contracts (refer note 43)	-	148.98
Unbilled revenue	-	20.15
Advance to creditors	38.73	13.12
Other advances	3.68	1.73
Total other current assets	**332.20**	**261.20**

During the year ended 31 March 2019, ₹ 148.98 crores of gross amount due from customers from construction contract and ₹ 20.15 crores of unbilled revenue as of 01 April 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Notes
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Note 13: Inventories

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Raw materials	128.93	74.25
[Includes stock in transit ₹ 20.28 crores (31 March 2018: ₹ 15.59 crores]		
Work-in-progress	37.94	20.38
Construction work-in-progress	-	98.80
Finished goods	144.02	53.34
[Includes stock in transit ₹ 39.65 crores (31 March 2018: ₹ 48.63 crores)]		
Traded goods	7.93	4.68
Stores, spares, packing materials and others	62.19	54.59
Total	**381.01**	**306.04**

Amounts recognised in profit or loss

Write-downs of inventories to net realisable value amounted to ₹ 19.74 crores (31 March 2018- ₹ 9.22 crores). These were recognised as an expense and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

Refer note 19 for information on inventories hypothecated as security by the Company.

Note 14: Current Investments

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
In mutual funds (At fair value through profit or loss) (quoted)		
Nil (31 March 2018: 17,386) units of Reliance Liquid Fund- Cash Plan- Direct Growth Plan - Growth Option	-	50.00
Nil (31 March 2018: 222,499) units of SBI Magnum Insta Cash Fund- Treasury Plan- Direct Growth Plan- Growth Option	-	50.00
Nil (31 March 2018: 2,290,514) units of ICICI Prudential Money Market Fund- Treasury Plan- Direct Growth Plan - Growth Option	-	55.00
102,567.82 (31 March 2018: Nil) units of SBI Liquid fund- Direct Growth Plan	30.00	-
87,774.43 (31 March 2018: Nil) units of Reliance Ultra Short duration fund - Direct growth plan	40.00	-
1,086,454.63 (31 March 2018: Nil) units of ICICI Prudential Liquid Fund- Direct Plan- Growth Option	30.00	-
Aggregate amount of quoted investments [Market Value: ₹ 100.00 crores (31 March 2018 : ₹ 155.00 crores)]	**100.00**	**155.00**

Note 15A: Cash and Cash Equivalents

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Balances with banks:		
In current accounts	42.48	61.90
In EEFC accounts	15.92	7.27
Cash in hand	0.03	0.03
	58.43	**69.20**

There are no repatriation restrictions with regards to cash and cash equivalents.

Note 15B: Other Bank Balances

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Deposits with original maturity of more than 12 months*	0.01	2.41
Deposits with original maturity of more than 3 months but less than 12 months**	85.00	0.98
In unpaid dividend account	3.37	2.83
Other bank balance	0.55	-
Total other bank balances	**88.93**	**6.22**

* Includes ₹ 0.01 crores (31 March 2018: ₹ 2.38 crores) held as lien by banks against bank guarantees.

** ₹ 15.00 crores (31 March 2018: ₹ 0.98 crores) held as lien by banks against bank guarantees.

Note 16: Asset Classified as Held For Sale

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Investment in 19,875,404 (31 March 2018: 13,497,853) equity shares of Maharashtra Transmission Communication Infrastructure Limited	28.27	20.77
	28.27	**20.77**

Post demerger of the power business in the financial year ended March 31, 2017, the Company has been in the process of obtaining requisite approvals from government authorities to sell its equity interest in its subsidiary, Maharashtra Transmission Communication Infrastructure Limited (referred as disposal group or MTCIL) to Sterlite Power Transmission Limited. During the year, management received a letter from Department of Telecommunication rejecting Company's application for transfer of entity. The Company has filed a letter seeking justification for such rejection. Pending response from the department, the Company is committed to the sale of MTCIL post requisite regulatory approvals. The Company anticipates completion of the sale by March 2020.

The investment in the subsidiary has been measured at lower of carrying amount and fair value, less cost to sell. No write down is required to be recognised as fair value of the investment is higher than cost. This is a level 3 measurement as per the fair value hierarchy set out in the fair value measurement disclosure.

Note 17: Share Capital

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Authorised equity share capital (no. crores)		
75.00 (31 March 2018: 75.00) equity shares of ₹2 each	150.00	150.00
Issued, subscribed and fully paid-up shares (no. crores)		
40.25 (31 March 2018: 40.10) equity shares of ₹ 2 each fully paid - up.	80.51	80.20
Total issued, subscribed and fully paid-up share capital	**80.51**	**80.20**

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

	31 March 2019		31 March 2018	
	Nos in crores	₹ in crores	Nos in crores	₹ in crores
At the beginning of the year	40.10	80.20	39.83	79.66
Issued during the year against employee stock options	0.15	0.31	0.27	0.54
Outstanding at the end of the year	**40.25**	**80.51**	**40.10**	**80.20**

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share except for the underlying 74,700 (31 March 2018: 74,700) equity shares held by custodian bank against Global Depository Receipts ('GDRs') which do not have voting rights.

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

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

	31 March 2019		31 March 2018	
	No. in crores	% holding	No. in crores	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius	20.94	52.03%	20.94	52.22%
Subsidiary of Volcan Investments Limited, Bahamas [Ultimate holding company]				
Vedanta Limited	0.48	1.19%	0.48	1.20%

d. Aggregate number of bonus shares issued, share issued for consideration other than cash during the period of five years immediately preceding the reporting date :

Particulars	31 March 2019 No. in crores	31 March 2018 No. in crores
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium in five years immediately preceding the reporting date	0.04	0.04

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

	31 March 2019		31 March 2018	
	No. in crores	% holding	No. in crores	% holding
1. Twin Star Overseas Limited, Mauritius (Holding Company)	20.94	52.03%	20.94	52.22%

f. Shares reserved for issue under options

For information relating to employees stock options plan, 2010 including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, refer note 35.

Note 18: Other Equity

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Securities premium account		
Opening balance	27.93	16.04
Add: Addition on ESOPs exercised	10.75	11.89
Closing balance	**38.68**	**27.93**
Other reserves		
Capital reserve	**(19.06)**	**(19.06)**
Employee stock option outstanding		
Opening balance	21.24	19.74
Add: Employees stock option expenses for the year (refer note 35)	19.16	13.39
Less: Transferred to Securities premium account	(10.75)	(11.89)
Closing balance	**29.65**	**21.24**
Debenture redemption reserve		
Opening balance	75.00	37.50
Add: Amount transferred from surplus in the statement of profit and loss	-	37.50
Closing balance	**75.00**	**75.00**
General reserve	**112.50**	**112.50**
Cash flow hedge reserve		
Opening balance	(32.27)	(1.69)
Add: Cash flow hedge reserve created on currency forward contracts	144.55	(45.77)
Add: Cash flow hedge reserve created on swap contracts	9.88	(2.15)
Less: Deferred hedging gain/(losses) transferred to the carrying amount of inventory	-	(1.09)
Less: Amount reclassified to Statement of profit and loss	(21.66)	1.69
Less: Amount transferred to Statement of profit and loss	(8.25)	-
Less: Income tax effect	(46.39)	16.74
Closing balance	**45.86**	**(32.27)**
Total other reserves	**243.95**	**157.41**
Retained earnings		
Opening balance	804.45	626.48
Less: Impact of change in accounting policy on adoption of Ind AS 115 (refer note 51)	(12.71)	-
Add: Net profit for the year	535.23	254.68
Add: Remeasurement of post employment benefit obligation, net of tax	(5.10)	0.06
Less: Change in fair value of FVOCI equity instrument	-	(3.20)
Less: Equity dividend and tax thereon (refer note 48)	(96.80)	(36.07)
Less: Transfer to debenture redemption reserve	-	(37.50)
Total retained earnings	**1,225.07**	**804.45**
Total other equity	**1,507.70**	**989.79**

Nature and Purpose of reserves other than retained earnings

Securities premium reserve

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

Capital reserve

Capital reserve is created on account of merger of passive infrastructure business of wholly owned subsidiary, Speedon Network Limited, in the year ended March 31, 2017.

General reserve

General reserve is created out of the amounts transferred from debenture redemption reserves on account of redemption of debentures in earlier years.

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Cash flow hedge reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecasted sales and purchases and interest rate risk associated with variable interest rate borrowings as described in note 47. For hedging foreign currency risk, the Company uses foreign currency forward contracts which are designated as cash flow hedges. For hedging interest rate risk, the Company uses interest rate swaps which are also designated as cash flow hedges. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss. When the forecasted transaction results in the recognition of a non-financial asset (e.g. inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non financial asset.

Employee stock option outstanding

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under employee stock option plan (ESOP Scheme) approved by shareholders of the Company.

Debenture redemption reserve

The Company is required to create a debenture redemption reserve out of the profits which are available for payment of interest for the purpose of redemption of debentures as per provisions of the Companies Act, 2013.

Note 19: Borrowings

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Non-current borrowings		
Debentures (Secured)		
1,500 (31 March 2018 :1,500) 8.45% Non convertible debentures of ₹ 10 lacs each	150.00	150.00
1,500 (31 March 2018 :1,500) 8.70% Non convertible debentures of ₹ 10 lacs each	150.00	150.00
Term loans		
Indian rupee loans from banks (secured)	50.00	101.14
Foreign currency loan from banks (secured)	138.35	164.31
Indian rupee loans from banks (unsecured)	100.00	-
Deferred payment liabilities (unsecured)	142.95	135.03
	731.30	**700.48**
The above amount includes		
Secured borrowings	488.35	565.45
Unsecured borrowings	242.95	135.03
Total Non-current borrowings	**731.30**	**700.48**
Less: Current maturities of long term borrowings disclosed under the head "other current financial liabilities" (refer note 20)	149.59	84.26
Net Amount	**581.71**	**616.22**

Notes:

a) 8.45% Non convertible debentures carry 8.45% rate of interest. Out of the total outstanding amount, 50% are redeemable at par during the FY 2019-20 and balance in the FY 2020-21 . These non-convertible debentures are secured by way of first pari passu charge on entire movable fixed assets (both present and future) and immovable fixed assets of the Company located at Dadra & Nagar Haveli and Pune.

b) 8.70% Non convertible debentures carry 8.70% rate of interest. Total amount of non-convertible debentures is due in the FY 2022-23 . These non-convertible debentures are secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of immovable fixed assets of the Company located at Aurangabad.

c) Indian rupee term loan from bank amounting to ₹ 50.00 crores carries interest @ LTMLR + 0.75% p.a. Loan amount is repayable in twelve quarterly equated instalments of ₹ 10.00 crores (excluding interest) starting from July 2017. The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of immovable fixed assets of the Company located at Dadra & Nagar Haveli.

d) Foreign Currency term loan from bank amounting to ₹ 138.34 crores carries interest @ Libor+2.70 % p.a. Loan amount is repayable in 20 quarterly equated instalments of USD 0.13 crores starting from April 2018. The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of immovable fixed assets of the Company located at Dadra & Nagar Haveli and Pune.

e) Unsecured rupee term loan from bank amounting to ₹ 100 crores carries interest @ 8.70% p.a. Loan amount is repayable in single bullet payment in Financial year 2020-21.

f) Deferred payment liabilities of ₹ 142.95 crores are as per the contractual terms with creditors for property, plant and equipment and amounts are payable after 1080 days from the due date. These amounts are presented as deferred payment liabilities under borrowings as per the disclosure requirements of Schedule III. The Interest payable on these deferred payment liabilities ranges from 6 months Libor + (100-200) bps per annum.

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Current borrowings		
Cash credit from banks (secured)	33.62	-
Working capital demand loan from banks (secured)	50.00	-
Commercial paper from bank (unsecured)	300.00	50.00
Other loans from banks (secured)	394.86	345.52
Other loans (unsecured)	10.72	67.22
Loans from related party (unsecured)	8.28	-
	797.48	**462.74**
The above amount includes		
Secured borrowings	478.48	345.52
Unsecured borrowings	319.00	117.22
Net Amount	**797.48**	**462.74**

Note:

(i) Cash credit was secured by hypothecation of raw material inventory, work in progress, finished goods and trade receivables.The cash credit is repayable on demand and carries interest @ 7.80 % -11.50 % p.a.

(ii) Working capital demand loan from banks was secured by first pari-passu charge on entire current assets of the Company (both present and future) and second pari-passu charge on plant & machinery and other movable fixed assets of the Company. Working Capital Demand Loan has been taken for a period of 30 days and carries interest @ 8.40%.

(iii) Commercial Papers are unsecured and are generally taken for a period from 60 to 90 days and carry interest @ 6.95% to 8.00% p.a.

(iv) Other loans include buyer's credit arrangements (secured) and export packing credit (unsecured). Buyer's credit are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables Export packing credit is taken for a period ranging from 30-180 days. Interest rate for both the products ranges from 6.35% - 8.55% p.a.

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(v) Loan from related party includes unsecured loan received from Sterlite Power Transmission Limited which is repayable on demand. The loan carries an interest rate of 10% p.a.

Net debt reconciliation

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

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Cash and cash equivalents	58.43	69.20
Current investments*	170.00	155.00
Current Borrowings	(797.48)	(462.74)
Non-current borrowings (including interest accrued but not due and current maturity of long term borrowings)	(734.42)	(707.33)
Net Debt	**(1,303.47)**	**(945.87)**

*includes other bank balance of ₹ 70 crores with respect to fixed deposit. These fixed deposits can be encashed by the Company at any time without any major penalties.

Non-current borrowings

	(₹ in crores)
As on 31 March 2018	**707.33**
Cashflows	23.67
Interest expense	46.75
Interest paid	(42.97)
Forex adjustment	(0.36)
As on 31 March 2019	**734.42**

Current borrowings

	(₹ in crores)
As on 31 March 2018	**462.74**
Cashflows	334.74
Interest expense	28.14
Interest paid	(28.14)
As on 31 March 2019	**797.48**

Cash and cash equivalents

	(₹ in crores)
As on 31 March 2018	**69.20**
Cashflows	(10.77)
As on 31 March 2019	**58.43**

Current Investments

	(₹ in crores)
As on 31 March 2018	**155.00**
Cashflows	13.11
Realised gain on current investment	1.89
As on 31 March 2019	**170.00**

Note 20: Other Financial Liabilities

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Non-current		
Derivative instruments		
Foreign exchange forward contracts	1.64	28.19
Currency / Interest Rate Swaps	1.13	-
Payables for purchase of property, plant and equipment	9.40	35.53
Deposits from vendors	2.71	1.10
Total non-current financial liabilities	**14.88**	**64.82**
Current		
Derivative instruments		
Foreign exchange forward contracts	10.27	31.77
Currency / Interest Rate Swaps	-	12.04
	10.27	**43.81**
Other financial liabilities at amortised cost		
Interest accrued but not due on borrowings	3.12	6.90
Interest accrued and due on borrowings	-	0.01
Current maturities of long-term borrowings (refer note 19)	149.59	84.26
Unclaimed dividend*	3.37	2.86
Deposits from customers	0.46	0.78
Deposits from vendors	0.41	0.46
Payables for purchase of property, plant and equipment (including deferred payment liabilities)	396.16	53.62
Employee benefits payable	19.40	23.56
Financial guarantee payable	10.37	-
Others	36.51	71.27
	619.39	**243.72**
Total current financial liabilities	**629.66**	**287.53**

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Note 21: Trade Payables

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Total outstanding dues of micro & small enterprises (refer note 41)	92.30	15.11
Total outstanding dues of creditors other than micro & small enterprises		
Trade payables to related parties (refer note 50)	72.22	33.40
Others	1,645.47	584.99
	1,717.69	**618.39**
Total Trade Payables	**1,809.99**	**633.50**

Note 22: Provisions

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Non-current		
Provision for warranty	0.72	24.96
Total non-current provision	**0.72**	**24.96**
Current		
Provision for litigations / contingencies	9.50	9.50
Provision for warranty	0.46	17.33
Total current provision	**9.96**	**26.83**

Notes
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Provision for litigations / contingencies
The provision of ₹ 9.50 crores as at 31 March 2019 (31 March 2018: ₹ 9.50 crores) is towards contingencies in respect of disputed claims against the Company as described in note 39, quantum of outflow and timing of which is presently unascertainable. There is no movement in the provision for litigations / contingencies during the year.

Provision for warranty
The Company has given warranty on network software and licences sold to customers. The timing of the outflow is expected to be within a period of eighteen months from the date of sale of telecom software products. Movement in provision for warranty is given below.

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
At the beginning of the year	42.29	27.15
Arising during the year	-	22.90
Impact of change in accounting policy on adoption of Ind AS 115 (refer note 51)	(40.33)	-
Unwinding of interest during the year	-	1.22
Utilized during the year	(0.78)	(8.98)
At the end of the year	**1.18**	**42.29**
Current portion	0.46	17.33
Non-current portion	0.72	24.96

Note 23: Other Current Liabilities

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Contract liabilities (refer note 51)		
Unearned revenue	88.54	-
Advance from customers	180.77	-
Total	**269.31**	**-**

Significant changes in Contract liabilities
Contract liabilities have increased as entity has received advance from customers against the new fixed price contracts entered during the year.

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Current		
Unearned revenue	-	35.40
Indirect taxes payable	7.38	2.02
Withholding taxes (TDS) payable	8.52	5.90
Advance from customers	-	39.92
Others	33.69	53.19
Total other current liabilities	**49.59**	**136.43**

During the year ended March 31, 2019 , the company recognized revenue of ₹ 35.40 crores arising from opening unearned revenue as of 01 April 2018.

Note 24A: Deferred Tax Liabilities (Net)

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Deferred tax liability		
Property, plant & equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	119.00	92.46
Impact of fair valuation of Land on transition date	15.88	15.88
Net movement on cash flow hedges	29.27	-
Others	-	2.58
Gross deferred tax liability	**164.15**	**110.92**
Deferred tax assets		
Provision for doubtful debts and advances, allowed for tax purposes on payment basis	10.48	8.41
Expenditure allowed for tax purposes on payment basis	19.48	9.12
Provision for inventory	6.90	3.63
Provision for litigations / contingencies	2.53	2.53
Net movement on cash flow hedges	-	16.74
Unused Tax Credit	18.90	18.90
Impact of fair valuation of Plant & Machinery	5.54	7.39
Impact of change in accounting policy on adoption of Ind AS 115 (refer note 51)	11.96	-
Re-measurement loss on defined benefits plans	2.74	-
Others	13.49	13.99
Gross deferred tax assets	**92.02**	**80.71**
Net deferred tax liability	**72.13**	**30.21**

Reconciliation of deferred tax liability

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Opening deferred tax liability, net	30.21	3.73
Deferred tax (credit) / charge recorded in statement of profit and loss	5.10	(1.12)
Deferred tax (credit) / charge recorded in OCI	43.65	(16.70)
Movement in Unused Tax Credit	-	44.30
Impact of change in accounting policy on adoption of Ind AS 115 (refer note 51)	(6.83)	-
Closing deferred tax liability, net	**72.13**	**30.21**

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Profit or loss section		
Current tax	270.99	113.68
Deferred tax relating to origination and reversal of temporary differences	5.10	(1.12)
	276.09	**112.56**
OCI section		
Deferred tax related to items recognised in OCI during in the year		
Net (gain)/loss on revaluation of cash flow hedges	(46.39)	17.12
Re-measurement loss defined benefit plans	2.74	(0.42)
	(43.65)	**16.70**

Notes
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Reconciliation of tax expense

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Accounting profit before income tax	811.32	367.24
Tax at India's statutory income tax rate of 34.94% (31 March 2018: 34.94%)	283.47	128.31
Adjustments in respect of current income tax of previous years	-	(6.40)
Tax benefits under various sections of Income tax Act	(8.37)	(14.15)
Other adjustments	0.99	4.80
Income tax expense	**276.09**	**112.56**
Income tax expense reported in the statement of profit and loss	**276.09**	**112.56**

Note 24B: Current Tax Liabilities (Net)

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Current tax liabilities (Net)	55.38	-
Total current tax liabilities	**55.38**	**-**

Note 25: Employee Benefit Obligations

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Non Current		
Provision for gratuity	19.59	5.07
Provision for compensated absences	12.76	2.80
Total non-current employee benefits obligation	**32.35**	**7.87**
Current		
Provision for gratuity	10.27	13.96
Provision for compensated absences	4.25	8.79
Total current employee benefits obligation	**14.52**	**22.75**

i) Compensated Absences

The compensated absences cover the company's liability for sick and earned leave. The amount of the provision is ₹ 17.01 crores (31 March 2018: ₹ 11.59 crores). The company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and accordingly amounts have been classified as current and non current based on actuarial valuation report.

ii) Post employment benefit - Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to fund managed by Life Insurance Corporation of India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimate of expected gratuity payments.

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

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Defined benefit obligation at the beginning of the year	22.98	19.65
Current service cost	2.85	2.55
Interest cost	1.99	1.42
Actuarial (gain)/loss	7.33	0.04
Past service cost	-	0.26
Benefits paid	(0.97)	(0.94)
Defined benefit obligation, at the end of the year	**34.18**	**22.98**

Changes in the fair value of plan assets are as follows:

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Fair value of plan assets at the beginning of the year	3.77	3.38
Expected return on plan assets	0.51	0.37
Contribution by employer	0.97	0.56
Benefits paid	(0.93)	(0.39)
Actuarial gain / (loss)	-	(0.15)
Fair value of plan assets at the end of the year	**4.32**	**3.77**

The company expects to contribute ₹ 4.50 crores (31 March 2018: ₹ 4.16 crores) to its gratuity plan in FY 2019-20.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31 March 2019 (%)	31 March 2018 (%)
Insurance Fund with Life Insurance Corporation of India	100	100

The fair value of planned assets represents the amount as confirmed by the fund.

Details of defined benefit obligation

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Present value of defined benefit obligation	34.18	22.80
Fair value of plan assets	(4.32)	(3.77)
Benefit liability	**29.86**	**19.03**

The net liability disclosed above relates to funded plans are as follows:

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Present value of funded obligations	34.18	17.25
Fair value of plan assets	(4.32)	(3.77)
Deficit of funded plan (A)	**29.86**	**13.48**
Unfunded plans (B)	-	5.55
Total net obligation (A+B)	**29.86**	**19.03**

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The company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The company intends to continue to contribute the defined benefit plans as per the demand from LIC of India.

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

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Current service cost	2.85	2.55
Interest cost on benefit obligation	1.99	1.42
Past service cost	-	0.27
Expected return on plan assets	(0.51)	(0.23)
Net benefit expense	4.33	4.01

Net employee benefit expense recognised in the other comprehensive income (OCI):

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Actuarial Losses on Obligation For the Period	7.33	0.04
Return on Plan Assets, Excluding Interest Income	0.51	(0.14)
Net Expense For the Period Recognized in OCI	**7.84**	**(0.10)**

Amounts for the current and previous periods are as follows:

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	31 March 2015 (₹ in crores)
Defined benefit obligation	34.18	22.80	19.65	16.22	11.87
Plan assets	4.32	3.77	3.37	2.59	2.08
Surplus / (deficit)	29.86	19.03	16.28	13.63	9.79
Experience adjustments on plan liabilities	3.08	(0.01)	(0.14)	1.90	0.41
Experience adjustments on plan assets	-*	- *	(0.15)	0.00*	(0.05)

* Amount is below the rounding off norm followed by the Company.

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

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Discount rate	7.64%	7.80%
Expected rate of return on plan asset	7.64%	7.80%
Employee turnover	10.00%	10.00%
Expected rate of salary increase	10.00%	8.00%

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 2019 (₹ in crores)	31 March 2018 (₹ in crores)
+1% Change in discount rate	(2.10)	(0.89)
-1% Change in discount rate	2.39	1.84
+1% Change in rate of salary increase	2.31	1.82
-1% Change in rate of salary increase	(2.08)	(0.90)
+1% Change in rate of employee turnover	(0.44)	0.31
-1% Change in rate of employee turnover	0.49	0.47

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below :

Asset volatility:

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Plan assets are maintained with fund manager, LIC of India.

Changes in bond yields:

A decrease in bond yields will increase plan liabilities.

Future salary escalation and inflation risk:

Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at managements discretion may lead to uncertainties in estimating this risk.

Life expectancy

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

The Company's all assets are maintained in a trust fund managed by public sector insurance company via LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The plan asset mix is in compliance with the requirements of the respective local regulations.

The weighted average duration of the defined benefit obligation is 7 years (2018 - 8 years). The expected maturity analysis of gratuity is as follows:

Maturity Analysis of defined benefit obligation:

The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	31 March 2019	31 March 2018	
	Funded	Funded	Non Funded
Projected Benefits Payable in Future Years From the Date of Reporting			
Less than 1 year	5.03	3.90	0.39
Between 1 to 2 years	2.52	2.78	0.88
Between 3 to 5 years	8.46	2.85	1.03
Over 5 years	49.26	20.64	9.33

Notes
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Note 26: Revenue From Operations

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Revenue from contracts with customers		
Sale of products		
- Finished goods	2,915.75	2,126.56
- Traded goods	48.07	19.02
Revenue from sale of products	**2,963.82**	**2,145.58**
Revenue from sale of services	66.10	63.57
Revenue from network integration projects	1,570.70	493.22
Revenue from software products/licenses and implementation activities	171.00	123.20
	4,771.62	**2,825.57**
Other operating revenue		
- Scrap sales	25.93	24.59
- Export incentives	65.08	43.41
Revenue from operations	**4,862.63**	**2,893.57**

Revenue disaggregation in terms of nature of goods and services has been included above.

The total contract price of ₹ 4,859.38 crores is reduced by the consideration of ₹ 87.76 crores towards variable components.

Refer note 2, 3 and 51 for accounting policy, significant judgements and details about impact of changes in accounting policies on adoption of Ind AS 115 respectively.

The Company's unsatisfied (or partially satisfied) performance obligations can vary due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates or other relevant economic factors. The aggregate value of unsatisfied (or partially satisfied) performance obligations is ₹ 2,904 crores which is expected to be recognised evenly over a period of one to three years. Remaining value of performance obligations is expected to be substantially recognised in the next year. Amount of unsatisfied (or partially satisfied) performance obligations does not include contracts with original expected duration of one year or less since the Company has applied the practical expedient in Ind AS 115.

In accordance with the requirements of Ind AS, revenue for the period April 1, 2017 to June 30, 2017 is inclusive of excise duty of ₹ 28.46 crore.

Note 27: Other Income

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Management Fees*	4.33	1.99
Rental Income	2.01	2.68
Profit on sale of assets	2.08	-
Exchange differences, (net)	-	4.24
Miscellaneous Income	5.90	13.28
Total other income	**14.32**	**22.19**

*The amount disclosed above is net of expenses related to provision of services (refer note 50).

Note 28: Finance Income

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Interest income on		
- Bank deposits	0.40	0.25
- Loans to related parties (refer note 50)	5.24	3.34
- Others	1.54	2.37
Income from current investments	1.89	1.36
Interest subvention	11.45	7.52
Total finance income	**20.52**	**14.84**

Note 29: Cost of Raw Material and Components Consumed

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Inventory at the beginning of the year (refer note 13)	74.25	81.38
Add : Purchases	2,638.08	1,123.97
Less : Inventory at the end of the year (refer note 13)	(128.93)	(74.25)
Cost of raw material and components consumed	**2,583.40**	**1,131.10**
(Increase)/ decrease in inventories		
Opening inventories		
Traded goods	4.68	8.04
Work-in-progress	20.38	21.43
Construction work-in-progress	98.80	124.75
Impact of change in accounting policy on adoption of Ind AS 115 in Construction work-in-progress (refer note 51)	(97.78)	-
Finished goods	53.34	39.66
	79.42	**193.88**
Closing inventories		
Traded goods	7.93	4.68
Work-in-progress	37.94	20.38
Construction work-in-progress	-	98.80
Finished goods	144.02	53.34
	189.89	**177.20**
(Increase)/Decrease in inventories	**(110.47)**	**16.68**

Note 30: Employee Benefit Expense

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Salaries, wages and bonus	386.91	277.57
Contribution to provident fund (refer note below)	10.07	8.01
Gratuity expenses (refer note 25)	4.33	4.01
Employees stock option expenses (refer note 35)	19.16	13.39
Staff welfare expenses	19.08	13.12
Total Employee benefit expense	**439.55**	**316.10**

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The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per local regulations. The contributions are made to provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Defined Contribution Plans: The Company has recognised the following expenses in the Statement of Profit and Loss for the year.

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Contribution to Employees Provident Fund	10.07	8.01
Total	**10.07**	**8.01**

Note 31: Other Expenses

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Consumption of stores and spares	129.59	110.34
Consumption of packing materials	82.58	65.21
Increase/(decrease) of excise duty on inventory	-	(1.81)
Power, fuel and water	102.26	88.70
Labour Charges	40.88	34.03
Repairs and maintenance		
Buildings	2.31	3.90
Plant & Machinery	9.12	11.95
Others	28.15	17.15
Corporate Social Responsibility (CSR) expenses (refer note 45)	5.37	3.64
Sales commission (other than sole selling agent)	28.21	24.96
Sales promotion	23.66	21.09
Carriage outwards	66.87	45.92
Rent	24.79	21.47
Insurance	12.27	10.90
Legal and professional fees	64.35	49.39
Rates and taxes	6.65	3.10
Travelling and conveyance	59.57	47.80
Loss on sale of assets	-	1.65
Bad debts/ advances written off	17.19	10.54
Provision for doubtful debts and advances	5.91	13.53
Directors sitting fee and commission	1.07	0.72
Payment to auditor (refer note below)	1.00	0.61
Exchange difference, (net)	0.23	-
Research and development expenses (refer note 42)		
- Salaries, wages and bonus	22.26	16.07
- Raw materials consumed	0.47	1.16
- General expenses	12.25	11.10
Total Research and development expenses	**34.98**	**28.33**
Less Amount transferred to individual expense line item	(34.98)	(28.33)
Research and development expenses	-	-
Miscellaneous expenses*	168.02	180.42
Total other expenses	**880.05**	**765.21**

*This includes loss of ₹ 1.74 crores pertaining to investments classified as FVTPL. (refer note 8)

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Payment to auditor		
As auditor:		
Audit fee (including limited reviews and audit of consolidated financial statements)	0.60	0.52
Tax audit fee	0.02	0.02
In other capacity:		
Other services (including certification fees)	0.38	0.07
	1.00	**0.61**

Note 32: Depreciation and Amortisation Expense

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Depreciation of tangible assets	133.19	128.87
Depreciation of investment property	0.09	0.16
Amortisation of intangible assets	34.51	34.18
Provision/(reversal) for impairment of tangible assets	-	6.93
Total depreciation and amortisation expense	**167.79**	**170.14**

Note 33: Finance Cost

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Interest on financial liabilities measured at amortised cost*	74.89	79.53
Bank charges	12.20	9.27
Exchange difference to the extent considered as an adjustment to borrowing costs	8.16	12.66
Unwinding of discount on provision	-	1.22
Total finance cost	**95.25**	**102.68**

* During the year, the Company has capitalised borrowing costs of ₹ 42.12 crores (31 March 2018: ₹ 2.67 crores) incurred on the borrowings specifically availed for expansion of production facilities and general borrowing costs. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the company's general borrowings, in this case 8.49% p.a.

Note 34: Tax Expenses

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Current tax	270.99	113.68
Deferred tax	5.10	(1.12)
Total tax expenses	**276.09**	**112.56**

Note 35: Employee Share Based Payments

The Company has established employees stock options plan, 2010 (ESOP Scheme) for its employees pursuant to the special resolution passed by shareholders at the annual general meeting held on July 14, 2010. The employee stock option plan is designed to provide incentives to the employees of the company to deliver long-term returns and is an equity settled plan. The ESOP Scheme is administered by the Nomination and Remuneration committee. Participation in the plan is at the Nomination and Remuneration committee's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options granted under ESOP scheme would vest in not less than one year and not more than five years from the date of grant of the options. The Nomination and remuneration committee of the company has approved multiple grants with related vesting conditions. Vesting of the options would be subject to continuous employment with the company and hence the options would vest with passage of time. In addition to this, the Nomination and remuneration committee may also specify certain performance parameters subject to which the options would vest. Such options would vest when the performance parameters are met.

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Once vested, the options remain exercisable for a period of one year. Options granted under the plan are for no consideration and carry no dividend or voting rights. On exercise, each option is convertible into one equity share. The exercise price is ₹ 2 per option.

The Company has charged ₹ 19.16 crores (31 March 2018: ₹ 13.39 crores) to the statement of profit and loss in respect of options granted under ESOP scheme.

a) Set Out Below is the summary of options granted under the plan.

	31 March 2019		31 March 2018	
	Average Exercise price per share	Number of Options	Average Exercise price per share	Number of Options
Opening Balance	2	50,50,978	2	71,34,568
Granted During the year	2	16,36,950	2	17,12,500
Forfeited During the year	2	-	2	-
Exercised During the year	2	(15,51,202)	2	(27,14,978)
Expired During the year	2	(5,22,248)	2	(10,81,112)
Closing Balance		**46,14,478**		**50,50,978**
Vested and Exercisable		3,41,195		2,54,827

Average share price for the year ended 31 March 2019 is 307.95 (31 March 2018: ₹ 244.84)
Share options outstanding at the end of the year have the following expiry date and exercise prices.

Grant Date	Expiry Date	Exercise Price (INR)	Share options outstanding on 31 March 2019	Share options outstanding on 31 March 2018
29 December 2011	29 December 2017	2	-	1,800
30 April 2014	30 April 2020	2	216,100	414,250
30 March 2015	30 March 2021	2	813,750	1,324,500
13 July 2016	13 July 2022	2	287,598	437,584
25 July 2016	25 July 2022	2	493,100	844,344
28 January 2016	26 January 2022	2	483,000	573,000
18 January 2017	18 January 2023	2	-	-
19 July 2017	19 July 2023	2	725,330	1,393,000
16 October 2017	16 October 2023	2	27,850	50,300
17 January 2018	19 January 2023	2	7,100	12,200
19 July 2018	19 July 2024	2	1,496,750	-
24 January 2019	24 January 2023	2	63,900	-
Total			**4,614,478**	**5,050,978**
Weighted Average remaining contractual life of the options outstanding at the end of the period			2.68	2.88

b) Fair Value of the options granted during the year-

During the current year remuneration committee has approved two grants. Following are the details of assumptions under individual grant, related vesting conditions and fair valuation model used based on the nature of vesting.

Date of Grant- July 19, 2018

The company has granted options under ESOP scheme based on following two criteria and related assumptions

1. Vesting criteria - Assured vesting of 30% Options in five years subject to continuous employment with the company

   Fair Valuation Method- Black Scholes options Pricing Model

Variables	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
	19 July 2019	19 July 2020	19 July 2021	19 July 2022	19 July 2023
Weighted Average Stock Price	301.75	301.75	301.75	301.75	301.75
Expected volatility	44.79%	42.14%	42.88%	45.40%	45.38%
Risk Free rate	7.03%	7.29%	7.44%	7.53%	7.60%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00	2.00
Time To Maturity (years)	1.54	2.54	3.54	4.54	5.54
Dividend Yield	1.04%	1.04%	1.04%	1.04%	1.04%
Outputs					
Option Fair value	295.18	292.24	289.33	286.44	283.57
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
Fair Value of the option (Black Scholes Model)					**291.97**

2. Vesting criteria - 70% Vesting based on total Shareholders return based on market performance

Fair Valuation Method - Monte Carlo Simulation model

Vesting of these options is dependent on the shareholder return during the performance as compared to comparator group identified by Nomination and Remuneration Committee. The Monte carlo model requires the following information of the company and comparator group companies:

- the historical share price and expected volatility during the performance period

- Risk free interest rate of the country where stock of comparator group is listed

- Dividend yield based on historical dividend payments

- Estimate of correlation coefficients for each pair of company

Assumptions used are as follows:

Variables	
Price of underlying stock	301.75
Expected volatility	44.79%
Risk Free rate	7.03%
Exercise Price (₹ per Option)	2.00
Dividend Yield	1.04%
Fair Value of the option	**134.31**

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Date of Grant- January 24, 2019
Vesting Criteria - Continuous Employment with the company.
Fair Valuation Method - Black Scholes options Pricing Model

Variables	Vest 1	Vest 2	Vest 3
	25 Jan 2020	26 Jan 2021	25 Jan 2022
Weighted Average Stock Price	292.75	292.75	292.75
Expected volatility	44.64%	43.85%	45.57%
Risk Free rate	6.88%	7.06%	7.20%
Exercise Price (₹ per Option)	2.00	2.00	2.00
Time To Maturity	1.50	2.51	3.51
Dividend Yield	0.69%	0.69%	0.69%
Outputs			
Option Fair value	287.93	286.05	284.19
Vesting Percentage	50.00%	25.00%	25.00%
Fair Value of the option			286.53

Note 36: Earnings Per Share (EPS)
The following table shows the computation of basic and diluted EPS.

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Profit for the year	535.23	254.68
Weighted average number of equity shares in calculating basic EPS	40.19	39.89
Adjustments for calculation of diluted EPS:		
Employee stock option outstanding during the year	0.49	0.64
Weighted average number of equity shares in calculating diluted EPS	40.68	40.53
Earnings per share		
Basic	**13.32**	**6.38**
Diluted	**13.16**	**6.28**

Options granted to employees under the ESOP Scheme 2010 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are given in note 35.

Note 37: Leases
Operating lease
Company as lessee :

The Company has taken office buildings on operating lease. The lease term is for periods of three to nine years and renewable at the option of the Company.

Future minimum lease payments over non cancellable period of operating leases are as follows :.

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Lease payments recognised in the statement of profit and loss (refer note 31)	22.50	21.47
The future minimum lease payments payable over the next one year	2.48	13.41
The future minimum lease payments payable later than one year but not later than five years	1.87	0.30

Company as lessor :

The Company has given land and office building on operating lease. The lease term is for non cancellable period of three years and renewable at the option of the Lessee. Future minimum lease receipts over non cancellable period of operating leases are as follows :

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Lease income recognised in the statement of profit and loss for the year	2.01	2.68
The future minimum lease payments receivable over the next one year	1.32	1.98
The future minimum lease payments receivable later than one year but not later than five year	-	2.14

Note 38: Capital and Other Commitments

a] Estimated amount of contracts remaining to be executed on capital account and not recognised for (net of advances) are ₹ 174.53 crores (31 March 2018: ₹ 685.85 crores)

b] The company has imported certain machinery under the Export Promotion Capital Goods (EPCG) scheme and accordingly has export obligation as per details below :

Year of Issue	Year upto Export obligation to be fulfilled	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
2017-18	2023-24	736.12	1,011.75
2018-19	2024-25	269.48	-

In this respect, the Company has given bonds of ₹ 984.31 crores (31 March 2018: ₹ 684.66 crores) to the Commissioner of Customs. The company expects to fulfil the export obligation within prescribed time.

c] For commitments relating to lease arrangements please refer note 37.

d] The Company has entered into agreements with the lenders of subsidiary Maharashtra Transmission Communication Infrastructure Limited wherein it has committed to hold directly or indirectly at all times at least 51% of equity share capital and not to sell, transfer, assign, pledge or create any security interest except pledge of shares to the respective lenders as covered in respective agreements with lenders.

Note 39: Contingent Liabilities

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
1. Disputed liabilities		
a) Sales tax	0.81	0.43
b) Excise duty [Including excise duty case in Supreme Court, refer note 22 and note 44]	238.28	239.73
c) Customs duty	75.72	75.67
d) Service tax	3.10	3.10
e) Income tax	26.02	29.96
f) Claims lodged by a bank against the company*	18.87	18.87
g) Claims against the Company not acknowledged as debt	1.11	1.11
2. Corporate guarantee to the income tax department on behalf of group companies.	114.00	114.00

The Company has not provided for disputed liabilities disclosed above arising from disallowances made in assessments which are pending with different appellate authorities for its decision. The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No liability has been accrued in the financial statements for the demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position. In respect of the claims against the company not acknowledged as debts as above, the management does not expect these claims to succeed. It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

Notes
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* In an earlier year, one of the Bankers of the Company had wrongly paid an amount of ₹ 18.87 crores under the letter of credit facility. The letter of credit towards import consignment was not accepted by the company, owing to discrepancies in the documents. Thereafter, the bank filed claim against the company in the Debt Recovery Tribunal (DRT). Against the DRT Order dated 28 October 2010, the parties had filed cross appeals before the Debt Recovery Appellate Tribunal. The Debt Recovery Appellate Tribunal vide its Order dated 28 January 2015 has allowed the appeal filed by the company and has dismissed the appeal filed by the bank. The bank has challenged the said order in WRIT petition before the Bombay High Court. The management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the financial statements.

Note 40: Details of Loans and Advances Given to Subsidiaries

The details are provided as required by regulation 53 (f) read with Para A of Schedule V to SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

(₹ in crores)

Name of Subsidiary	31 March 2019		31 March 2018	
	Outstanding amount	Maximum balance	Outstanding amount	Maximum balance
Sterlite Global Ventures (Mauritius) Limited	0.34	0.34	0.33	0.33
Speedon Network Limited	29.60	29.60	20.52	35.50
Maharashtra Transmission Communication Infrastructure Limited	3.66	3.66	3.98	3.98
Sterlite Technologies UK Ventures Limited	22.33	33.18	21.99	21.99
STH Inc USA	17.02	16.80	8.18	8.18
Sterlite Tech SPA (Italy)	1.33	1.33	-	-
Elitecore Technologies SDN. BHD	0.56	0.56	0.40	0.40
Total	**74.84**		**55.40**	

Note 41: Details of Dues to Micro and Small Enterprises as Defined Under MSMED Act, 2006

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any suppliers registered under the MSMED Act as at the end of each accounting year.		
Principal amount due to micro and small enterprises*	92.30	15.11
Interest due on above	0.19	0.10
(ii) 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.	-	-
(iii) 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.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.19	0.10
(v) 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	-	-

* includes amount of ₹ 91.70 crores outstanding, but not overdue to micro, small and medium enterprises as on 31 March 2019.

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 is ₹ 0.19 crores (31 March 2018: ₹ 0.10 crore) and same is not 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.

Note 42: Research and Development Expenditure

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Capital expenditure		
- Plants and machinery - capitalized during the year	12.36	4.23
- Plants and machinery - purchased during the year but pending for capitalization	3.26	2.92
- Software - capitalized during the year	0.58	0.25
	16.20	**7.40**
Revenue expenditure		
- Salaries, wages and bonus	22.26	16.07
- Raw materials consumed	0.47	1.16
- General expenses	12.25	11.10
Total	**34.98**	**28.33**

The company has three Research and Development Centres. Centre wise breakup of expenditure is as follows :

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Sterlite Centre of Research-Aurangabad		
- Capital Expenditure	2.70	1.51
- Revenue Expenditure	17.38	15.36
	20.08	**16.87**
Sterlite Tech Smart Network Centre-Gurgaon		
- Capital Expenditure	10.56	2.72
- Revenue Expenditure	5.56	4.47
	16.12	**7.19**
Sterlite Technologies - Ahmedabad		
- Capital Expenditure	2.94	3.17
- Revenue Expenditure	12.04	8.50
	14.98	**11.67**

Note 43: Disclosures Pursuant To Indian Accounting Standard (Ind As) 11 Construction Contracts

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Amount of contract revenue recognised during the year	-	493.22
The aggregate amount of costs incurred and recognised profits for all contracts in progress upto the reporting date	-	1,203.92
Amount of customer advances outstanding for contracts in progress upto the reporting date	-	35.53
Retention amount due from customers for contracts in progress upto the reporting date	-	55.54
Gross amount due from customers for construction contracts	-	148.98

Note 44: Excise /Customs Matter Pending With Honourable Supreme Court

The Company had in an earlier year received an order of CESTAT upholding the demand of ₹ 188 crores (including penalties and excluding interest) (31 March 2018 : ₹ 188 crores) in the pending excise/custom matters on various grounds. The Company's appeal with the Honourable High Court of Mumbai was rejected on the grounds of jurisdiction. The Company preferred an appeal with the Honourable Supreme Court of India against the order of CESTAT which has been admitted. The Company has re-evaluated the case on admission of appeal by the Honourable Supreme Court. Based on their appraisal of the matter, the legal advisors are of the view that under most likely event, the provision of ₹ 4.50 crores (31 March 2018 : ₹ 4.50 crores) made by the Company against the above demand is adequate. The management is confident of a favourable order and hence no further provision is considered against the said demand.

Notes

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Note 45: Corporate Social Responsibility

The Company has spent an amount of ₹5.37 crores (31 March 2018: ₹ 3.64 crores) during the year as required under section 135 of the Companies Act, 2013 in the areas of education, healthcare, woman empowerment and environment. The amount was spent by way of contribution to Sterlite Tech Foundation of ₹ 5.22 crores, in which directors/senior executives of the Company and their relatives are trustees and to Kerala Chief Minister's Relief Fund ₹ 0.15 crores.

Details of CSR expenditure

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
A. Gross amount required to be spent by the Company as per section 135 of the Companies Act, 2013	5.37	3.64
B. Amount spent during the year on	5.37	3.64
(i) Construction/acquisition of any assets	-	-
(i) On purpose other than (i) above	5.37	3.64

Note 46: Amortisation of Recognised Goodwill on Acquisition

During the year 2015-16, the Company had acquired 100% of the paid up equity share capital of Elitecore Technologies Private Limited ('ETPL'), a global telecom software product company. ETPL has been merged with the Company with the appointed date of September 29, 2015 under a scheme of amalgamation approved by Honourable Bombay High Court and Gujarat High Court (the "Scheme"). Goodwill (excess of purchase consideration over the aggregate book value of the net assets acquired) is being amortised over a period of five years, as per the Scheme. Ind-AS does not allow amortisation of goodwill, which amounted to ₹ 29.65 crores (31 March 2018: ₹ 29.64 crores) for the year.

Note 47: Financial Risk Management

The Company's principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include Investments, loans, trade and other receivables, cash and short-term deposits and other financial assets that arise directly from its operations. The Company also enters into derivative transactions.

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company's senior management oversees the activities to manage these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes should be undertaken.

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

Management has overall responsibility for the establishment and oversight of the Company's risk management framework. The risks to which Company is exposed and related risk management policies are summarised below -

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk mainly includes loans given and borrowings, financial assets and liabilities in foreign currency, investments in quoted instruments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2019 and 31 March 2018.

Interest rate risk

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

The Company is exposed to the interest rate fluctuation in domestic as well as foreign currency borrowing. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2019, after taking into account the effect of interest rate swaps, approximately 87% of the Company's borrowings are at a fixed rate of interest (31 March 2018: 83%).

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Variable rate borrowings	333.74	359.39
Fixed rate borrowings	1,195.04	803.83
Total borrowings	**1,528.78**	**1,163.22**

As at the end of the year, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	31 March 2019		31 March 2018	
	Balance	% of total loans	Balance	% of total loans
Variable rate borrowings	333.74	22%	359.39	31%
Interest rate swaps (notional principal amount)	138.35	-	163.00	-
Net exposure to cash flow interest rate risk	195.39	-	196.39	-

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates on borrowings at variable interest rate. With all the other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in crores)

Particulars	Increase/ Decrease in Basis Points	Effect on profit before tax / pre-tax equity
31 March 2019		
Base Rate	+50	0.98
Base Rate	-50	(0.98)
31 March 2018		
Base Rate	+50	0.98
Base Rate	-50	(0.98)

Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Company has a policy to keep minimum forex exposure on the books that are likely to occur within a 12-month period for hedges of forecasted sales and purchases. As per the risk management policy, foreign exchange forward contracts are taken to hedge its exposure in the foreign currency risk. During the year ended 31 March 2019 and 2018, the company did not have any hedging instruments with terms which were not aligned with those of the hedged items.

When a derivative is entered into for the purpose of hedge, the Company negotiates the terms of those derivatives to match the terms of the underlying exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

Out of total foreign currency exposure the Company has hedged the significant exposure as at 31 March 2019 and as at 31 March 2018.

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The Company exposure to foreign currency risk at the end of the year expressed in INR are as follows.

31 March 2019

(₹ in crores)

Financial Assets	USD	EUR	GBP	AED
Trade receivable	77.15	112.90	36.90	12.14
Bank Balances	10.56	0.56	4.79	-
Derivative Assets				
Foreign exchange forward contracts - Sell foreign currency	30.70	97.19	36.90	12.14
Net Exposure to foreign currency risk (Assets)	**57.01**	**16.27**	**4.79**	**-**

31 March 2019

(₹ in crores)

Financial Liabilities	USD	EUR	GBP	AED
Bank Loan (including deferred payment liabilities)	197.65	94.01	-	-
Payables for purchase of property, plant & equipment's	262.04	8.46	-	-
Trade Payables	191.01	13.86	0.05	-
Derivative Liabilities				
Foreign exchange forward contracts - Buy foreign currency	238.01	25.96	0.05	-
Principal Swap	138.34	-	-	-
Net Exposure to foreign currency risk (Liabilities)	**274.35**	**90.37**	**-**	**-**

31 March 2018

(₹ in crores)

Financial Assets	USD	EUR	GBP	AUD	AED
Trade receivable	133.98	124.85	31.21	0.46	10.90
Bank Balances	-	3.71	3.56	-	-
Derivative Assets					
Foreign exchange forward contracts - Sell foreign currency	128.78	124.80	31.21	-	10.90
Net Exposure to foreign currency risk (Assets)	**5.20**	**3.76**	**3.56**	**0.46**	**-**

31 March 2018

(₹ in crores)

Financial Liabilities	USD	EUR	GBP	AUD	AED
Bank Loan	297.63	-	-	-	-
Trade Payables (including payable for purchase of property, plant and equipment)	195.37	74.41	29.81	-	-
Derivative Liabilities					
Foreign exchange forward contracts - Buy foreign currency	241.73	54.82	29.81	-	-
Principal Swap	162.60	-	-	-	-
Net Exposure to foreign currency risk (Liabilities)	**88.67**	**19.59**	**-**	**-**	**-**

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and GBP exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Company's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Company's exposure to foreign currency changes for all other currencies is not material. With all the other variable held constant, the Company's profit before tax is affected through the impact on change of foreign currency rate as follows:

(₹ in crores)

	Change in USD rate	Effect on profit before tax / pre-tax equity	Change in Euro rate	Effect on profit before tax / pre-tax equity	Change in GBP rate	Effect on profit before tax / pre-tax equity
31 March 2019	+5%	(10.87)/(5.16)	+5%	(3.71)/53.60	+5%	0.24/0.24
	-5%	10.87/5.16	-5%	3.71/(53.60)	-5%	(0.24)/(0.24)
31 March 2018	+5%	(4.17)/(0.10)	+5%	(0.79)/(2.16)	+5%	0.18/(0.04)
	-5%	4.17/0.10	-5%	0.79/2.16	-5%	(0.18)/0.04

Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of copper cables and therefore require a continuous supply of copper. To meet requirements the company enters into contracts to purchase copper. The prices in these purchase contracts are linked to the price on London Metal Exchange.

The Company has a risk management strategy to mitigate commodity price risk.

Based on a 1 month forecast of the required copper supply, the Company hedges the purchase price using future commodity purchase contracts. The forecast is deemed to be highly probable.

Commodity price sensitivity

As per the Company's policy for commodity price hedging, all the commodity price exposures as on reporting dates are fully hedged. Thus, there are no open unhedged exposures on the reporting dates. Further, total exposure related to commodity derivative is not material.

Price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors review and approve all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities (other than investments in subsidiaries) at fair value was ₹ 22.86 crores (31 March 2018: ₹ 19.60 crores).

The Company also invests into highly liquid mutual funds which are subject to price risk changes. These investments are generally for short duration and therefore impact of price changes is generally not significant. Investment in these funds are made as a part of treasury management activities.

(b) Credit risk

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

Trade receivables and Contract assets

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credit rating and individual credit limits are defined in accordance with credit assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers.
In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The assessment is based on historical information of defaults. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets. During the

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period, the company made write-offs of ₹ 17.19 crores (31 March 2018 : ₹ 10.54 crores) trade receivables and it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

The Company's customer profile for customer contracts and software services include public sector enterprises, state owned companies and private corporates. Accordingly, the Company's customer credit risk is low. The Company's average network integration projects execution cycle ranges from 12 to 36 months based on the nature of contract and scope of services to be provided. General payment terms include mobilisation advance, progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/corporate guarantees.

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

Details of Expected credit loss for trade receivables and contract assets is as follows:

Particulars	31 March 2019			31 March 2018		
	Less than 365 days	More than 365 days	Total	Less than 365 days	More than 365 days	Total
Gross carrying amount	2,283.27	20.26	2,303.54	877.63	13.00	890.63
Expected credit loss rate	0.60%	80.00%		1.63%	75.00%	
Expected credit loss provision	13.78	16.21	29.99	14.33	9.75	24.08
Carrying amount of trade receivable (net of provision)	**2,269.49**	**4.05**	**2,273.55**	**863.30**	**3.25**	**866.55**

Financial instruments and cash deposits

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

Other financial assets that are potentially subject to credit risk consists of inter corporate loans. The company assesses the recoverability from these financial assets on regular basis. Factors such as business and financial performance of counterparty, their ability to repay, regulatory changes and overall economic conditions are considered to assess future recoverability. The company charges interest on such loans at arms length rate considering counterparty's credit rating. Based on the assessment performed, the company considers all the outstanding balances of such financial assets to be recoverable as on balance sheet date and no provision for impairment is considered necessary.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amounts of each class of financial assets.

(c) Liquidity risk

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

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 60 - 90 days. The 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:

(₹ in crores)

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 year to 5 years	Total
As at March 31, 2019					
Borrowings	41.92	738.51	166.65	581.70	1,528.78
Other financial liabilities	4.24	39.63	29.77	2.71	76.35
Trade payables	264.14	783.46	762.39	-	1,809.99
Payables for purchase of Property, plant and equipments	-	92.94	303.22	9.40	405.56
Derivative instruments	-	6.29	3.98	2.77	13.04
	310.30	**1,660.83**	**1,266.01**	**596.58**	**3,833.72**
As at March 31, 2018					
Borrowings	-	267.62	279.38	616.22	1,163.22
Other financial liabilities	2.86	30.46	72.52	1.10	106.94
Trade payables	0.15	499.73	133.62	-	633.50
Payables for purchase of Property, plant and equipments	-	15.83	37.79	35.53	89.15
Derivative instruments	-	10.67	33.14	28.19	72.00
	3.01	**824.31**	**556.46**	**681.04**	**2,064.81**

Cash flow hedges

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments for sales and purchases in USD, EUR and GBP. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arose requiring recognition through profit or loss as on 31 March 2019 and 31 March 2018.

The cash flow hedges for such derivative contracts as at 31 March 2019 were assessed to be highly effective and a net unrealised gain of ₹ 122.95 crore, with a deferred tax liability of ₹ 42.96 crores relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2018 were assessed to be highly effective and an unrealised loss of ₹ 47.92 crore, with a deferred tax asset of ₹ 16.74 crores was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2019 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2020.

At 31 March 2019, the Company has currency/interest rate swap agreements in place with a notional amount of USD 2 crores (₹ 138.34 crore) (31 March 2018 : USD 2.5 crores) whereby the Company receives a variable rate of interest of Libor + 2.70% and pays interest at a fixed rate equal to 10.0425% on the notional amount with USD-INR rate fixed at INR 66.3850 per USD. The swaps are being used to hedge the exposure to changes in the foreign exchange rates and interest rates.
The Company also has multiple interest rate swap agreements in place with a total notional amount of USD 2.45 crores whereby the Company pays interest at fixed rate of 2.69%-3% and receives interest at a variable rate of 6M LIBOR.
The cash flow hedges for such derivative contracts as at 31 March 2019 were assessed to be highly effective and a net unrealised gain of ₹ 9.87 crore, with a deferred tax liability of ₹ 3.45 crores relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2018 were assessed to be highly effective and an unrealised loss of ₹ 2.15 crore, with a deferred tax asset of ₹ 0.75 crores was included in OCI in respect of these contracts. The amounts

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retained in OCI at 31 March 2019 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2020.

Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position:

31 March 2019

(₹ in crores)

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets / (Liabilities)					
Cash flow hedge							
Foreign exchange risk							
(i) Foreign exchange forward contracts- Assets	1,233.38	80.97	April 2019 - December 2023	1:1	EUR:INR- 90.38 GBP:INR- 101.09 USD:INR- 70.29	80.92	(80.92)
(ii) Foreign exchange forward contracts- Liabilities	(39.36)	(0.65)	April 2019- January 2021	1:1	EUR:INR- 79.04 USD:INR- 71.033	41.98	(41.98)
(iii) Foreign Currency Loan	(138.34)	0.18	3-Jan-23	1:1	USD:INR 66.39	12.22	(12.22)
Interest rate risk							
Interest rate swap	(307.72)	(1.04)	3-Jan-23	1:1	N/A	(2.35)	2.35

31 March 2018

(₹ in crores)

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets / (Liabilities)					
Cash flow hedge							
Foreign exchange risk							
(i) Foreign exchange forward contracts- Assets	112.86	0.05	April 2018 - March 2022	1:1	AED:INR- 17.82 AUD:INR- 50.05 EUR:INR- 83.98 GBP:INR- 90.52 USD:INR- 66.92	(1.47)	1.47
(ii) Foreign exchange forward contracts- Liabilities	(1,388.57)	(42.63)	April 2018- January 2021	1:1	EUR:INR- 83.91 GBP:INR- 101.28 USD:INR- 66.75	(44.30)	44.30
(iii) Foreign Currency Loan	(165.96)	(12.04)	3-Jan-23	1:1	USD:INR 66.39	(1.71)	1.71
Interest rate risk							
Interest rate swap	(165.96)	1.31	3-Jan-23	1:1	N/A	(0.44)	0.44

*The foreign exchange forward contracts are denominated in the same currency as the highly probable future sales therefore the hedge ratio is 1:1.

The notional amount of interest rate swap is equal to the portion of variable rate loans that is being hedged and therefore the

hedge ratio for interest rate swaps is also 1:1.
The entire amount of foreign currency loan (USD) is designated as cash flow hedge and hence the hedge ratio is 1:1.

(b) Disclosure of effects of hedge accounting on financial performance

31 March 2019

(₹ in crores)

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	135.12	-	(21.66)	Revenue and COGS
Interest Risk	(2.35)	-	-	N/A

31 March 2018

(₹ in crores)

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	(47.48)	-	1.69	Other expenses
Interest Risk	(0.44)	-	-	N/A

The Company's hedging policy requires for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the company uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of foreign currency forecast sale may arise if:

- the critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or

- differences arise between the credit risk inherent within the hedged item and the hedging instrument.

Refer note 18 for the details related to movement in cash flow hedging reserve.

Note 48: Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the shareholders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating 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 on capital to shareholders or issue new shares. The Company monitors capital using a

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gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio optimum. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents excluding discontinued operations.

Particulars	As at 31 March 2019 (₹ in crores)	As at 31 March 2018 (₹ in crores)
Interest Bearing Loans and borrowings	1,528.78	1,163.22
Trade Payables	1,809.99	618.39
Other Financial Liabilities	494.95	268.09
Less: Cash and Cash equivalents & current investment*	(228.43)	(224.20)
Net debt	**3,605.29**	**1,825.50**
Equity share capital	80.51	80.20
Other equity	1,507.70	989.79
Total capital	**1,588.21**	**1,069.99**
Capital and net debt	**5,193.50**	**2,895.49**
Gearing ratio	**69.42%**	**63.05%**

*includes other bank balance of ₹ 70 crores with respect to fixed deposit. These fixed deposits can be encashed by the Company at any time without any major penalties.

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. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2019 and 31 March 2018.

Dividend Distribution Made And Proposed

As a part of Company's capital management policy, dividend distribution is also considered as key element and management ensures that dividend distribution is in accordance with defined policy. Below mentioned are details of dividend distributed and proposed during the year.

Particulars	As at 31 March 2019 (₹ in crores)	As at 31 March 2018 (₹ in crores)
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2018: ₹ 2 per share (31 March 2017: ₹ 0.75 per share)	80.30	29.97
Dividend Distribution Tax on final dividend	16.51	6.10
	96.81	**36.07**
Proposed dividends on Equity shares:		
Final dividend for the year ended on 31 March 2019: ₹ 3.5 per share (31 March 2018: ₹ 2 per share)	140.86	80.20
Dividend Distribution Tax on proposed dividend	28.68	16.33
	169.54	**96.53**

Proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and is not recognised as a liability (including DDT thereon) as at year end.

During the year ended 31 March 2019 and 31 March 2018, the Company has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

Note 49: Fair Values

a) Financial Instruments by Category

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values as of March 31, 2019:

	31 March 2019			31 March 2018		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments						
Equity instruments	0.26	-	-	2.00	-	-
Debentures	22.60	-	-	17.60	-	-
Mutual funds	100.00	-	-	155.00	-	-
Trade receivables	-	-	1,180.53	-	-	866.55
Loans	-	-	115.63	-	-	90.02
Cash and cash equivalents	-	-	147.36	-	-	75.42
Derivative financial assets	7.91	83.96	-	2.21	1.36	-
Contract assets	-	-	1,093.02	-	-	-
Security deposits	-	-	15.40	-	-	10.47
Other financials assets	-	-	33.05	-	-	61.85
Total financial assets	**130.77**	**83.96**	**2,584.99**	**176.81**	**1.36**	**1,104.31**
Financial liabilities						
Borrowings	-	-	1,528.78	-	-	1,163.22
Derivative financial liabilities	9.10	3.94	-	17.03	54.97	-
Trade Payables	-	-	1,809.99	-	-	633.50
Payables for purchase of property, plant and equipment	-	-	405.56	-	-	89.15
Deposits from vendors	-	-	3.12	-	-	1.56
Other Financial Liabilities	-	-	73.23	-	-	105.38
Total financial liabilities	**9.10**	**3.94**	**3,820.68**	**17.03**	**54.97**	**1,992.81**

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b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

	Fair value measurement using			
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets and liabilities measured at fair value - recurring fair value measurements				
Investments in Equity Shares of joint venture				
As at March 31, 2019	0.26	-	-	0.26
As at March 31, 2018	2.00	-	-	2.00
Investments in Debentures				
As at March 31, 2019	22.60	-	-	22.60
As at March 31, 2018	17.60	-	-	17.60
Investments in Mutual Funds				
As at March 31, 2019	100.00	100.00	-	-
As at March 31, 2018	155.00	155.00	-	-
Derivative financial assets - Foreign Exchange Forward Contracts				
As at March 31, 2019	7.91	-	7.91	-
As at March 31, 2018	2.26	-	2.26	-
Derivative financial assets - Currency/Interest Rate Swaps				
As at March 31, 2019	83.96	-	83.96	-
As at March 31, 2018	1.31	-	1.31	-
Derivative financial Liabilities - Foreign Exchange Forward Contracts				
As at March 31, 2019	9.10	-	9.10	-
As at March 31, 2018	59.96	-	59.96	-
Derivative financial Liabilities - Currency/Interest Rate Swaps				
As at March 31, 2019	3.94	-	3.94	-
As at March 31, 2018	12.04	-	12.04	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers among Level 1, Level 2 and Level 3.

c) Valuation technique used to determine fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the quoted mutual funds are based on quoted price at the reporting date.

The fair values of the unquoted equity shares and debentures have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast of cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

The Company enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts, interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

d) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2019 and March 31, 2018:

(₹ in crores)

Particulars	Investments in Equity Shares of JV	Investments in Debentures
As at March 31, 2018	**2.00**	**17.60**
Acquisitions	-	5.00
Changes in Fair value	(1.74)	-
As at March 31, 2019	**0.26**	**22.60**

e) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
FVTPL assets in unquoted equity shares and debentures	DCF method	Terminal Growth Rate	March 31, 2019 : 5% March 31, 2018 : 5%	1% (March 31, 2018 : 1%) increase/ (decrease) in the terminal growth rate would result in increase /(decrease) in fair value by ₹ 1.34/ (1.17) crores (31 March 2018 : ₹ 1.51/ (0.59) crore)
		WACC (pre-tax)	March 31, 2019: 20% March 31, 2018: 20%	1% (March 31, 2018 : 1%) increase/ (decrease) in the WACC would result in decrease/(increase) in fair value by ₹ 1.71/ (1.96) crores (31 March 2018 : ₹ 1.03/ (2.0))
		Long-term operating margin	March 31, 2019 : 20% March 31, 2018: 3.1% - 14.2%	1% (March 31, 2018 : 1%) increase/ (decrease) in the margin would result in increase/(decrease) in fair value by ₹ 0.73/ (0.73) crores (31 March 2018: ₹ 1.24/ (0.47))

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

f) Valuation processes

The finance department of the company includes a team that oversees the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

External valuers are involved for valuation of significant assets, such as unquoted financials assets. Involvement of external valuers is decided by the valuation team. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Valuation team decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

The main level 3 inputs for used by the company are derived and evaluated as follows:

Discount rates are determined using a capital asset pricing model or based on weighted average cost of capital of counterparty, to calculate a post-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from risk assessment (based on review of financial condition, economic factors) by management.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 3 fair values are analysed at the end of each reporting period during the valuation discussion between the valuation team and external valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2019 and 31 March 2018 are as shown above.

g) Financial assets and liabilities measured at amortised cost

(₹ in crores)

Particulars	31 March 2019	31 March 2018
	Carrying value	Fair value
Financial liabilities		
Debentures @ 8.45%	150.00	150.36
Debentures @ 8.70%	150.00	150.09

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management has further assessed that borrowings availed and loans given approximate their carrying amounts largely due to the interest rates being variable or in case of fixed rate borrowings/loans, movements in interest rates from the recognition of such financial instrument till period end not being material.

Note 50: Related Party Transactions

(A) Name of related party and nature of its relationship:

(a) Related parties where control exists

(i) Holding company

Twin Star Overseas Limited, Mauritius (Immediate holding company
Volcan Investments Limited, Bahamas (Ultimate holding company)

(ii) Subsidiaries

Jiangsu Sterlite Tongguang Fiber Co. Ltd.
Sterlite Global Ventures (Mauritius) Limited
Maharashtra Transmission Communication Infrastructure Limited
Sterlite Technologies UK Ventures Limited
Speedon Network Limited
Sterlite Telesystems Limited

Elitecore Technologies (Mauritius) Limited
Elitecore Technologies SDN BHD. (Malaysia)
Sterlite (Shanghai) Trading Company Limited
Sterlite Tech Holding Inc.
Sterlite Technologies Europe Ventures Limited
Sterlite Technologies Inc.
Sterlite Tech S.P.A
Sterlite Innovative Solutions Limited
Sterlite Tech Connectivity Solutions Limited
Metallurgica Bresciana S.P.A

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

(i) Fellow Subsidiaries

Cairn India Holdings Ltd
Sterlite Power Transmission Limited
Twin Star Technologies Limited
Sterlite Grid 1 Limited
Twin Star Display Technologies Limited
Vedanta Limited
Fujairah Gold FZE
Avan Strate Inc.

(ii) Joint ventures

Sterlite Conduspar Industrial Ltda
Metis Eduventures Private Limited
M.B Maanshaan Special Cables Co. Ltd

(iii) Key management personnel (KMP)

Mr. Pravin Agarwal (Vice Chairman & Whole-time Director)
Dr. Anand Agarwal (CEO & Whole-time Director)
Mr. A. R. Narayanaswamy (Non executive & Independent Director)
Mr. Arun Todarwal (Non executive & Independent Director)
Mr. C. V. Krishnan (Non executive & Independent Director) (upto October 12,2017)
Ms. Avaantika Kakkar (Non executive & Independent Director) (upto May 22,2018)
Mr. Sandip Das (Non executive & Independent Director)
Mr Pratik Agarwal (Non executive Director)
Mr. Kumud Srinivasan (Non executive & Independent Director) (from May 22, 2018)

(iv) Relative of key management personnel (KMP)

Mr. Ankit Agarwal
Mrs Jyoti Agarwal
Mrs Ruchira Agarwal
Mrs Sonakshi Agarwal
Mr Navin Agarwal

(v) Entities where key management personnel or relatives of key management personnel have significant influence (EKMP)

Khaitan & Co. LLP (EKMP)
Universal Floritech LLP (EKMP)
Sterlite Tech Foundation (EKMP)

(c) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

(i) Key management personnel (KMP)

Mr. Anupam Jindal (Chief Financial Officer)
Mr. Amit Deshpande (Company Secretary)

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

S. No.	Particulars	Subsidiaries		Joint Ventures		Holding Company		KMP		Relatives of KMP		Fellow Subsidiaries/EKMP	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
1	Remuneration	-	-	-	-	-	-	31.06	27.26	3.60	3.04	-	-
2	Sitting Fees	-	-	-	-	-	-	0.29	0.12	-	-	-	-
3	Commission	-	-	-	-	-	-	0.75	0.63	-	-	-	-
4	Consultancy	-	-	-	-	-	-	0.45	0.40	-	-	-	-
5	Dividend (received)/paid	-	-	-	-	41.88	15.71	0.49	0.22	0.24	0.09	0.95	0.36
6	Investment during the year	47.82	15.02	5.00	9.60	-	-	-	-	-	-	-	-
7	Loans and advances given	16.42	20.82	0.11	0.35	-	-	-	-	-	-	6.28	40.85
8	Repayment of loans	1.12	-	-	-	-	-	-	1.37	-	-	3.27	17.30
9	Loan taken	-	-	-	-	-	-	-	-	-	-	7.50	-
10	Repayment of advances	-	0.44	-	-	-	-	-	-	-	-	-	0.17
11	Interest charged on loans	2.43	1.69	-	-	-	-	-	0.12	-	-	2.81	1.47
12	Interest payable on loans	-	-	-	-	-	-	-	-	-	-	0.70	-
13	Management fees received	-	-	-	-	-	-	-	-	-	-	13.24	1.99
14	Management fees paid	-	-	-	-	-	-	-	-	-	-	0.52	3.10
15	Corporate guarantee & SBLC commission charged	1.34	-	-	-	-	-	-	-	-	-	-	-
16	Purchase of goods & services	302.29	7.70	-	-	-	-	-	-	-	-	7.31	74.86
17	Sale of goods & services	154.73	62.12	14.18	12.21	-	-	-	-	-	-	18.85	28.91
18	Contributions made for CSR	-	-	-	-	-	-	-	-	-	-	5.22	3.64
19	Rental income	-	-	-	-	-	-	-	-	-	-	0.06	0.08
20	Professional fees paid	-	-	-	-	-	-	-	-	-	-	-	0.27
	Outstanding Balances												
1	Loans/advance receivables##	74.84	55.40	-	-	-	-	-	-	-	-	40.09	34.19
2	Loans/advance payables##	-	-	-	-	-	-	-	-	-	-	8.28	-
3	Trade receivables	25.83	10.67	6.53	20.75	-	-	-	-	-	-	18.81	-
4	Trade payables	70.97	2.99	-	-	-	-	-	-	-	-	1.25	30.41
5	Investment in equity shares,preference shares & debentures	141.60	101.38	22.86	19.60	-	-	-	-	-	-	-	-
6	Investments classified as assets held for sale	28.27	20.77	-	-	-	-	-	-	-	-	-	-
7	Corporate and bank guarantees given and outstanding	10.16	-	-	-	-	-	-	-	-	-	114.00	114.00

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

S. No.	Particulars	Relationship	31 March 2019	31 March 2018
1	**Remuneration**			
	Mr. Pravin Agarwal	KMP	14.34	13.72
	Dr. Anand Agarwal	KMP	12.40	10.04
	Mr. Ankit Agarwal	Relative of KMP	3.60	3.04
2	**Sitting Fees**			
	Mr. Arun Todarwal	KMP	0.09	0.05
	Mr. A. R. Narayanaswamy	KMP	0.07	0.04
	Mr. Sandip Das	KMP	0.07	0.01
	Ms. Kumud Srinivasan	KMP	0.03	-
3	**Commission**			
	Mr. Arun Todarwal	KMP	0.15	0.13
	Mr. A. R. Narayanaswamy	KMP	0.15	0.13
	Ms. Avaantika Kakkar	KMP	0.15	0.13
	Mr. Pratik Agarwal	KMP	0.15	0.13
4	**Consultancy**			
	Mr. Sandip Das	KMP	0.45	0.40
5	**Dividend (received)/paid**			
	Twin Star Overseas Limited	Holding Company	41.88	15.71
6	**Investment during the year**			
	Sterlite Technologies S.P.A. (Italy)	Subsidiary	40.22	-
	Maharashtra Transmission Communication Infrastructure Limited	Subsidiary	7.50	-
	Metis Eduventures Private Limited	Joint Venture	5.00	9.60
7	**Loans & advances given**			
	Speedon Network Limited	Subsidiary	7.46	9.89
	Sterlite Tech Holding Inc.	Subsidiary	8.07	8.06
	Twinstar Display Technologies Limited.	Fellow Subsidiary	3.44	22.14
	Sterlite Power Transmission Limited.	Fellow Subsidiary	2.52	8.64
8	**Repayment of loans**			
	Maharashtra Transmission Communication Infrastructure Limited	Subsidiary	1.00	-
	Sterlite Power Transmission Limited	Fellow Subsidiary	2.78	7.80
9	**Loan taken**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	7.50	-
10	**Repayment of advances**			
	Jiangsu Sterlite and Tongguang Fiber Co. Limited	Subsidiary	-	0.44
	Sterlite Grid 1 ltd	Fellow Subsidiary	-	0.17
11	**Interest charged / (payable) on loans**			
	Speedon Network Limited	Subsidiary	1.75	1.42
	Twin Star Display Technologies Limited	Fellow Subsidiary	2.11	1.47
	Twin Star Technologies Ltd	Fellow Subsidiary	0.70	-
12	**Interest payable on loans**			
	Sterlte Power Transmission Limited	Fellow Subsidiary	0.70	-
13	**Management fees received**			
	Twin Star Display Technologies Limited	Fellow Subsidiary	-	1.99
	Cairn India Holdings Ltd**	Fellow Subsidiary	13.24	-
14	**Management fees paid**			
	Sterlte Power Transmission Limited	Fellow Subsidiary	-	3.10
	Vedanta Limited	Fellow Subsidiary	0.52	-
15	**Corporate guarantee & SBLC commission charged**			
	Sterlite Tech S.P.A	Subsidiary	1.33	-
16	**Purchase of goods & services**			
	Jiangsu Sterlite and Tongguang Fiber Co. Limited	Subsidiary	261.32	0.14
	Fujairah Gold FZE	Fellow Subsidiary	4.52	70.62

Notes
to standalone financial statements for the year ended March 31, 2019

S. No.	Particulars	Relationship	31 March 2019	31 March 2018
17	**Sale of goods & services**			
	Jiangsu Sterlite and Tongguang Fiber Co. Limited	Subsidiary	88.05	57.74
	Metallurgica Brescina	Subsidiary	64.21	-
	Sterlite Conduspar Industrial Ltda	Joint Venture	14.18	12.21
	Sterlite Power Transmission Limited	Fellow Subsidiary	18.85	28.91
18	**Contributions made for CSR**			
	Sterlite Tech Foundation	EKMP	5.22	3.64
19	**Rental income**			
	Universal Floritech LLP	EKMP	0.06	0.08
20	**Payment of professional fees**			
	Khaitan & Co. LLP	EKMP	0.00	0.27

(D) Compensation of Key mangement personnel of the company

Particulars	31 March 2019	31 March 2018
Short term employee benefits	26.44	25.78
Long term & Post employment benefits	1.40	0.38
Share based payment transaction*	6.82	4.14
Total compensation paid to key management personnel	**34.66**	**30.30**

During the year Sterlite Technologies Europe Ventures Ltd. has been liquidated with effect from May 16, 2018.

#Includes interest & expenses incurred and recoverable.

*Share-based payments include the perquisite value of stock incentives excercised during the year,determined in accordance with the provisions of the Income-tax Act,1961.

**The amount is gross of the expenses incurred towards provision of these services.

Note 51: Changes in Accounting Policies

The Company applied Ind AS 115 for the first time by using the cumulative catch-up transition method of adoption with the date of initial application of April 01, 2018. Under this method, company recognised the cumulative effect of initially applying the Ind AS 115 as an adjustment to the opening balance of retained earnings as on April 01, 2018. For all open contracts as on that date, comparative prior period has not been adjusted.

Particulars	Notes	01 April 2018 (₹ in crores)
Balances in retained earnings		804.45
Less: Adjustment on account of revenue recognition as per IND AS 115	(i)	(19.54)
Add: Increase in Deferred Tax Assets	(i)	6.83
Balances in retained earnings after adjustment		**791.74**

Note (i) :

Impact is mainly on account of :

1. Service warranty - As per Ind AS 115, service warranty has been considered as a separate performance obligation and accordingly contract price has been allocated to such seperate performance obligation resulting in an impact on estimated revenue & warranty cost recognised. There was no such requirement under Ind AS 11 and accordingly provision for warranty was recognised basis percentage of completion of contract.

2. Impact of variable considerations - As per Ind AS 115, variable consideration eg. liquidated damages and other penalties which are based on future events should be netted off against revenue and reassessed at every reporting period. Accordingly, such variable considerations have been adjusted against the contract price. Under the previous standard, these were considered as a part of estimated contract costs.

3. Impact of bought out components - Under previous standard cost incurred on bought out components was considered in the calculation of the percentage of completion of network integration projects. As per Ind AS 115, revenue with respect to bought out components should be recognised equivalent to cost incurred to faithfully depict performance if all the prescribed conditions are met. Accordingly on transition, margin on cost related to bought out component was derecognised.

4. Revenue recognition on transfer of control - Under the previous revenue recognition standards, revenue was recognised when the entity has transferred the significant risks and rewards of ownership of goods. Under Ind AS 115, revenue is recognised when entity satisifies a performance obligation by transferring control of a promised goods and service to a customer. As a consequence revenue with respect to cost incurred on construction work in progress is recognised on transition.

5. Milestone based accounting - As per Ind AS 115, there is change in the revenue recognition as compared to previous standard wherein revenue was recognised once milestones were achieved.

The following table presents the amount by which each financial statement line item is affected in the current year ended March 31, 2019 by the application of Ind AS 115 as compared with the previous revenue recognition requirements. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Balance Sheet (Extract)	31 March 2019 (without adoption of Ind AS 115)	Increase/ (Decrease)	31 March 2019 (as reported)
Current assets			
Inventories	493.33	(112.32)	381.01
Trade receivables	1,049.91	128.86	1,178.77
Contract assets	-	1,093.02	1,093.02
Other current assets	1,521.44	(1,189.24)	332.20
Equity			
Other Equity	1,510.87	(3.17)	1,507.70
Total Equity	1,591.38	(3.17)	1,588.21
Non-current liabilities			
Provisions	24.02	(23.30)	0.72
Deferred tax liabilities (net)	73.83	(1.70)	72.13
Current liabilities			
Trade payables	1,769.66	40.33	1,809.99
Contract liabilities	-	269.31	269.31
Provisions	26.99	(17.03)	9.96
Other current liabilities	393.72	(344.13)	49.59

Statement of profit and loss (extract) year ended 31 March 2019	31 March 2019 (without adoption of Ind AS 115)	Increase/ (Decrease)	31 March 2019 (as reported)
Revenue from operations	4,885.27	(22.64)	4,862.63
Total Income (I)	4,899.59	(22.64)	4,876.95
Cost of raw material and components consumed	2,620.75	(37.35)	2,583.40
Other expenses	880.01	0.04	880.05
Total Expense (II)	3,860.42	(37.31)	3,823.11
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)	1,039.17	14.67	1,053.84
Profit before tax	796.65	14.67	811.32
Total tax expenses	270.96	5.13	276.09
Profit for the year	525.68	9.55	535.23
Total comprehensive income for the year	606.96	9.55	616.51

Presentation of assets and liabilities related to contracts with customers:

The company also has changed the presentation of certain amounts in the balance sheet to reflect the terminology of Ind AS 115:

- Contract assets recognised was previously presented as a part of other current assets. Contract assets are in the nature of right to receive consideration which arises when entity satisfies a performance obligation but does not have an unconditional right to consideration as it has not reached the contractual billing milestone.

- Contract liabilities recognised was previously presented as a part of other current liabilities. Contract liabilities represent deferred revenue arising from revenue from network integration projects contracts. It also includes advance received from customers.

Notes
to standalone financial statements for the year ended March 31, 2019

Note 52: Segment Reporting
The Company has only one operating segment which is Connectivity and Network Solutions. Accordingly, separate segment information is not required to be disclosed.

Geographical Information

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
(1) Revenue from external customers		
- Within India	3,279.13	1,623.74
- Outside India	1,583.50	1,269.83
Total revenue per statement of profit and loss	**4,862.63**	**2,893.57**
The revenue information above is based on the locations of the customers		
(2) Non-current operating assets		
- Within India	2,222.47	1,314.24
- Outside India	-	-
Total	**2,222.47**	**1,314.24**

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress, investment properties and intangible assets including Goodwill.

(3) Revenue from external customers
Revenue from two customers in India amounted to ₹ 1,293.15 crores (31 March 2018 is ₹ 360.02 crores).

Note 53: Previous Year Figures
The financial statements for the year ended 31 March 2019 incorporate the impact of the change in accounting policies as mentioned in Note 51. Thus, current year numbers are not comparable to previous year numbers.

As per our report of even date

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

Neeraj Sharma
Partner
Membership Number: 108391

Place: Pune
Date: April 23, 2019

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

Pravin Agarwal
Vice Chairman & Whole-time Director
DIN : 00022096

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: April 23, 2019

Independent Auditors' Report

To the Members of Sterlite Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of Sterlite Technologies Limited (hereinafter referred to as the "Holding Company"), its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity; (refer Note 37 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity, the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, except for the indeterminate effects of the matter described in the Basis for Qualified Opinion paragraph of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its jointly controlled entity as at March 31, 2019, and their consolidated total comprehensive income (comprising of consolidated profit and other comprehensive income) and their consolidated cash flows for the year ended on that date.

Basis for Qualified opinion

3. We draw your attention to Note 44 to the Consolidated Financial Statements, which states that the Holding Company in an earlier year received an order of CESTAT upholding a demand of ₹ 188 crores (including penalties but excluding interest) (₹188 crores as at March 31, 2018) in relation to a excise/customs matter. The Holding Company's appeal against this order with the Honourable Supreme Court has been admitted. Based on the current status and legal advice received, the management has recognised a provision amounting to ₹ 4.5 crores as on March 31, 2019, (₹4.5 crores as at March 31, 2018), in respect of this matter based on its best estimate. Pending disposal of the matter by the Honourable Supreme Court, we are unable to comment on the adequacy of the provision made towards the amount of excise / customs duty payable.

4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Group 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 Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 16 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 17 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter – Amortisation of goodwill recognized on acquisition

5. We draw attention to Note 46 to the consolidated financial statement which describes that the Group had recognised Goodwill on amalgamation during the financial year ended March 31, 2016, which is being amortised over a period of five years from the appointed date of September 29, 2015, in accordance with the accounting treatment prescribed under the Scheme of amalgamation approved by the Gujarat High Court. Our opinion is not modified in respect of this matter.

Key audit matters

6. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
1. Revenue Recognition on transition to Ind AS 115	
(Refer note 2.3(e), 3 and 55 to the consolidated financial statements) Effective April 1, 2018, the Group has adopted Ind AS 115 "Revenue from Contracts with Customers". Consequently, management has reviewed its existing contracts with customers under the model provided in Ind AS 115. Management has applied significant judgements with respect to: • Combination of contracts entered into with the same customer; • Identification of performance obligations; • Allocation of consideration to identified performance obligations; • Recognition of revenue over a period of time or at a point in time based on timing when control is transferred to customer. For assessment of the date of transfer of control, Management has obtained legal opinion in respect of certain arrangements. Further, for contracts where revenue is recognised over a period of time, the Group made estimates which impact the revenue recognition. Such estimates include, but are not limited to: • costs to complete, • contract risks, • price variation claims, • liquidated damages We focused on this area because a significant portion of the revenue generated requires management to exercise judgement and therefore could be subject to material misstatement due to fraud or error. In addition, first time disclosures required under Ind AS 115 has been identified as an area of focus for the current year.	Our testing approach included both tests of controls as well substantive procedures (i.e test of details). As part of our test of controls, we understood and evaluated the design and tested the operating effectiveness of controls over revenue recognition. Our substantive testing of revenue transactions was designed to cover certain large and complex contracts and testing of sample of other contracts. Our procedures included, among other things: • Reading of selected contracts to identify significant terms of the contracts; • Assessing appropriateness of management's significant judgements in accounting for identified contracts • Evaluation of the contract terms and also consideration of the legal opinion obtained by Management with respect to assessment of the date of transfer of control; • Testing of timing of recognition of revenue (including procedures related to cut off) in line with the terms of contracts; • Testing the key management assumptions used to estimate contract cost, contract risks, claims etc.; • Testing of journal entries for unusual/irregular revenue transactions; and • Consideration of adequacy of the disclosures as required to be made by Management under the new standard. Based on above procedures, we did not note any significant exceptions in the estimates and judgements applied by the Management in revenue recognition including those relating to presentation and disclosures
2. Accounting policy and fair valuation of investments in joint venture in accordance with Ind AS 109 Refer note 2.3(s) (Accounting Policies) to the Consolidated Financial Statements	
The group makes investments in start-ups and growth companies. Such investment activity is separately managed from the manufacturing activities with a stated objective of earning a return from appreciation in the value of the investments and are made with identified exit strategies. The total carrying value of such investments as at March 31, 2019 is ₹ 22.86 crores. Management has concluded that basis the terms of the contract with the investee companies such investments will qualify to be investment in Associates or Joint Ventures. Further Management has evaluated the requirements of Ind AS 28 for availing the exemption from applying equity method of accounting and concluded that such exemption is available to the group for such investments. The Group has accordingly elected to measure such investments at fair value through Profit and Loss account in accordance with Ind AS 109 in the consolidated financial statements. Management has obtained a report from an independent valuer for determining the fair valuation of the investments as at the Balance Sheet date. We focused on this area as there was significant judgement involved in concluding whether the exemption from equity method of accounting for such investments is available to the group and the fair valuation of these investments contain assumptions that are not observable.	Our audit procedures included: • Understanding the controls around Group's investment strategy in start-ups and growth companies • Evaluation of the design and testing the operating effectiveness of the aforesaid controls • Evaluation of the Group's investment strategy and internal organization; • Consideration of the investment subscription agreements for the terms and conditions; • Discussion with the relevant management personnel engaged in managing the investment decisions and involved in such transactions to understand the purpose of such investments and how the investment activity is managed; • Evaluation of the criteria considered by the management in their conclusion on accounting treatment in accordance with the requirements of Ind AS 28 and Ind AS 109. • Consideration of adequacy of disclosures in the financial statements along with related accounting policies. • Assessment of the methodology and the appropriateness of the valuation models and inputs used by management to value investments. Based on the above procedures, we found the accounting policy followed by Management to be appropriate and did not find any material exceptions to management's estimates and judgements with regard to the accounting and fair valuation of investments in accordance with the relevant accounting standard

3. Appropriateness of accounting for Business Combination Refer note 47 to the Consolidated Financial Statements	
On July 20, 2018, the group through its subsidiary, acquired 100% equity of Metallurgica Bresciana S.p.A (Metallurgica), an Italy based company which designs and manufactures special copper and optical fibre cables. The total purchase consideration was Euro 4.65 crores. Management assessed that the acquisition of Metallurgica qualifies as a business combination by applying the definition in Ind AS 103. Basis a report of an independent valuer, the Management determined that the fair value of the net identifiable assets acquired was Euro 3.87 crores including Euro 0.38 crores relating to intangible assets that arose from the business combination, resulting in goodwill of Euro 0.78 crores. We focused on the identification and valuation of assets, including the intangible assets arising from the business combination as a significant area of judgement. The valuation methodology to determine the value of identified assets, as well as the inputs and assumptions like discount rate etc. used in the model, also require significant judgement.	Our audit procedures included: • Evaluation of management's assessment that the acquisition of Metallurgica should be accounted for as a business combination; • Evaluation of the design and testing the operating effectiveness of the controls on recognition of assets and liabilities acquired; • Obtaining the audited financial statements on the date of acquisition and audit opinion issued by another auditor used by Management in Purchase Price Allocation; • Assessment of the appropriateness and completeness of the identifiable assets acquired and the liabilities assumed at the acquisition date basis audited financial statement of the acquiree and terms of the purchase laid out in the agreement; • Assessment of appropriateness of the intangible assets identified by Management in accordance with Ind AS 38. • Involvement of the auditor's expert to assess the valuation methodology and underlying assumptions relating to discount rate etc. used by the independent professional valuer to estimate the valuation; • Assessment of the appropriateness of the useful lives of the identified intangible assets as determined by management; • Re-performance of the calculation of the goodwill arising from the acquisition of Metallurgica, being the difference between the total purchase consideration and the fair value of the net identifiable assets; • Evaluation of management's assessment of impairment of goodwill. • Consideration of adequacy of the disclosures as required to be made by Management as per the standard Based on the above procedures performed, no significant observations were noted on the accounting for business combination.

Other Information

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

   Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (refer note 16 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities of management and those charged with governance for the financial statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Companies included in the Group and its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its jointly controlled entity respectively and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate

internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the board of directors of the Companies included in the Group and its jointly controlled entity are responsible for assessing the ability of the Group and of its jointly controlled entity respectively, 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.

10. The respective Board of Directors of the companies included in the Group and its jointly controlled entity are responsible for overseeing the financial reporting process of the Group and of its jointly controlled entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

12. 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 consolidated 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding company and its subsidiary companies, which are companies incorporated in India, have 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 Group's ability to continue as a going concern including its jointly controlled entity. 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 Consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

14. 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.

15. From the matters communicated with those charged with governance, we determine those matters that were

of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 686.29 crores as at 31st March, 2019, total revenues of ₹ 468.73 crores and net cash flows amounting to ₹ 29.52 crores for the year ended on that date and financial statement of one subsidiary whose financial statement reflect total assets of ₹ 451.22 crores as at December 31, 2018, total revenues of ₹ 169.14 crores and net cash flows amounting to ₹ 4.43 crores for the year then ended, as considered in the Consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

17. We did not audit the financial statements of nine subsidiaries and one jointly controlled entity, whose financial statements reflect total assets of ₹ 677.79 crores as at 31st March, 2019, total revenues of ₹ 8.90 crores and net cash flows amounting to ₹ 0.43 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entity and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and jointly controlled entity is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

18. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

19. As required by Section 143 (3) of the Act, we report, to the extent applicable 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 of the aforesaid consolidated financial statements.

(b) In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law, maintained by the Holding Company and its subsidiaries included in the Group incorporated in India including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company, its subsidiary companies included in the Group incorporated in India and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) Except for the indeterminate effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) The matter described in the Basis for Qualified Opinion paragraph above in our opinion, may have an adverse effect on the functioning of the group.

(f) On the basis of the written representations received from the directors of the Holding Company and its subsidiary companies incorporated in India as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and its subsidiaries incorporated in India, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) The reservation relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

(h) With respect to the adequacy of the internal financial controls over financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

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

   (i) Except for the matter described in the Basis for Qualified Opinion above, the consolidated financial statements has disclosed the impact, if any, of pending litigations as at March 31, 2019 on the consolidated financial position of the Group and its jointly controlled entity – Refer Note 22, 40 and 44 to the consolidated financial statements for the year ended March 31, 2019;

   (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2019 – Refer (a) Note 20 to the consolidated financial statements for the year ended March 31, 2019 in respect of such items as it relates to the Group and (b) Note 52 to the consolidated financial statement in respect of Group's share of net loss in respect of its joint venture;

   (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2019. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiaries incorporated in India

   (iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2019.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Neeraj Sharma
Partner
Membership Number: 108391

Place: Pune
Date: April 23, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 19(h) of the Independent Auditors' Report of even date to the members of Sterlite Technologies Limited on the consolidated financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to consolidated financial statements of Sterlite Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

5. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

6. A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Basis for Qualified Opinion

8. According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the operating effectiveness of the Holding Company's internal financial controls with reference to consolidated financial statements as at March 31, 2019:

   The Company's internal financial controls over the evaluation and assessment of provision for an excise/customs matter pending with the Honorable Supreme Court were not operating effectively which could potentially result in the Company not recognising adequate provision in respect of this matter. Refer paragraph 7 of our report on the consolidated financial statements.

   A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

9. In our opinion, except for possible effects of the material weakness described in the Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2019, 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.

10. We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company for the year ended March 31, 2019, and the material weakness has affected our opinion on the consolidated financial statements of the Company and we have accordingly issued a modified report on the consolidated financial statements

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

Neeraj Sharma
Partner
Membership Number: 108391

Place: Pune
Date: April 23, 2019

Consolidated Balance Sheet
as at March 31, 2019

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

Particulars	Note	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
ASSETS			
Non-current assets			
Property, plant & equipment	4	2,317.46	1,135.10
Capital work-in-progress		419.44	357.02
Investment property	7	-	8.88
Goodwill	5,6	107.35	73.93
Other intangible assets	5	43.06	16.17
Financial assets			
Investments	8	35.30	19.60
Trade receivables	9	1.76	4.09
Loans	10	42.69	35.01
Other non-current financial assets	11	42.40	7.69
Other non-current assets	12	24.74	98.05
		3,034.20	**1,755.54**
Current assets			
Inventories	13	589.65	337.85
Financial assets			
Investments	14	100.17	155.00
Trade receivables	9	1,354.86	867.19
Cash and cash equivalents	15A	143.29	119.56
Other bank balances	15B	90.39	18.92
Other current financial assets	11	99.32	69.41
Contract Assets	12	1,093.51	-
Other current assets	12	393.07	271.86
Assets classified as held for sale	16	113.82	116.41
		3,978.08	**1,956.20**
Total Assets		**7,012.28**	**3,711.74**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	80.51	80.20
Other Equity	18	1,638.79	1,095.12
Equity attributable to owners of the parent		**1,719.30**	**1,175.32**
Non-controlling interests		95.40	81.95
Total Equity		**1,814.70**	**1,257.27**
Non-current liabilities			
Financial liabilities			
Borrowings	19	934.84	630.54
Other financial liabilities	20	14.88	64.82
Employee benefit obligations	25	32.35	7.86
Provisions	22	1.01	25.12
Deferred tax liabilities (net)	24A	74.39	22.16
		1,057.47	**750.50**
Current liabilities			
Financial liabilities			
Borrowings	19	982.69	462.74
Trade payables	21		
(A) total outstanding dues of micro enterprises and small enterprises (refer note 41)		92.44	15.14
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,820.31	641.04
Other financial liabilities	20	708.54	290.76
Contract liabilities	23	270.36	-
Other current liabilities	23	81.77	146.44
Employee benefit obligations	25	22.34	22.77
Provisions	22	11.46	28.07
Current tax liabilities (Net)	24B	55.38	-
Liabilities directly associated with assets classified as held for sale	16	94.82	97.01
		4,140.11	**1,703.97**
Total liabilities		**5,197.58**	**2,454.47**
Total Equity & Liabilities		**7,012.28**	**3,711.74**
Summary of significant accounting policies	2		

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

As per our report of even date

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

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

Pravin Agarwal
Vice Chairman & Whole-time Director
DIN : 00022096

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Neeraj Sharma
Partner
Membership Number: 108391

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: April 23, 2019

Place: Pune
Date: April 23, 2019

Consolidated Statement of Profit and Loss

For the year ended March 31, 2019

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

Particulars	Note	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
INCOME			
Revenue from operations	26	5,087.26	3,205.49
Other income	27	19.94	25.62
Total Income (I)		**5,107.20**	**3,231.11**
EXPENSES			
Cost of raw materials and components consumed	29	2,591.32	1,222.15
Purchase of traded goods		30.58	32.99
(Increase) / decrease in inventories of finished goods, work-in-progress, traded goods and construction work-in-progress	29	(134.67)	15.93
Excise duty on sale of goods		-	28.38
Employee benefit expense	30	511.23	344.72
Other expenses	31	961.65	811.97
Total Expense (II)		**3,960.11**	**2,456.14**
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)		**1,147.09**	**774.97**
Depreciation and amortisation expense	32	194.98	182.21
Finance costs	33	105.49	103.83
Finance Income	28	(16.92)	(13.65)
Profit before tax & share in loss of joint venture		**863.54**	**502.58**
Share of loss of joint venture		-	(0.92)
Profit before tax from continuing operations		**863.54**	**501.66**
Tax expense:			
Current tax	34	288.97	135.18
Deferred tax	34	(10.81)	(2.03)
Total tax expenses		**278.16**	**133.15**
Profit from continuing operations		**585.38**	**368.51**
Discontinued operation			
Loss from discontinued operation before tax (refer note 16)		(7.59)	(4.38)
Tax expense of discontinued operations (refer note 16)		-	-
Loss from discontinued operation		**(7.59)**	**(4.38)**
Profit for the year		**577.79**	**364.13**
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net movement on cash flow hedges		132.77	(49.01)
Income tax effect on the above		(46.39)	17.12
Exchange differences on translation of foreign operations		(1.71)	25.25
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**84.67**	**(6.64)**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurements of defined benefits plan		(7.84)	0.10
Income tax effect on the above		2.74	(0.04)
Net movement on cash flow hedges		-	1.09
Income tax effect on the above		-	(0.38)
Change in fair value of FVOCI equity instrument		-	(3.20)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**(5.10)**	**(2.43)**
Other comprehensive income for the year, net of tax		**79.57**	**(9.07)**
Total comprehensive income for the year		**657.36**	**355.06**
Profit for the year attributable to:			
Owners of the Company		562.75	334.33
Non-controlling interests		15.04	29.80
		577.79	**364.13**
Other comprehensive income attributable to:			
Owners of the Company		80.40	(15.38)
Non-controlling interests		(0.83)	6.31
		79.57	**(9.07)**
Total comprehensive income attributable to:			
Owners of the Company		643.15	318.95
Non-controlling interests		14.21	36.11
		657.36	**355.06**
Total comprehensive income attributable to owners from:			
Continuing Operations		648.50	321.66
Discontinued Operation		(5.35)	(2.71)
		643.15	**318.95**
Earnings per equity share	36		
Basic			
From continuing operations		14.14	8.45
From discontinued operations		(0.13)	(0.07)
Diluted			
From continuing operations		13.96	8.32
From discontinued operations		(0.13)	(0.07)
Summary of significant accounting policies	2		

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

As per our report of even date

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

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

Neeraj Sharma
Partner
Membership Number: 108391

Place: Pune
Date: April 23, 2019

Pravin Agarwal
Vice Chairman & Whole-time Director
DIN : 00022096

Anupam Jindal
Chief Financial Officer

Place: Pune
Date: April 23, 2019

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Amit Deshpande
Company Secretary

Consolidated Statement of Changes in Equity

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

A. Equity Share Capital

Equity shares of ₹ 2 each issued, subscribed and fully paid	Note	No. in Crs.	Amount
At 01 April 2017		**39.83**	**79.66**
Changes in equity share capital	17	0.27	0.54
At 31 March 2018		**40.10**	**80.20**
Changes in equity share capital	17	0.15	0.31
At 31 March 2019		**40.25**	**80.51**

B. Other Equity

	Capital Reserve	Securities Premium	Employee stock option outstanding	Debenture Redemption Reserve	General Reserve	Retained Earnings	Cash Flow Hedge Reserve	Foreign currency translation reserve	Total	Non Controlling interest
As at 01 April 2017	**0.04**	**16.04**	**19.74**	**37.50**	**112.50**	**620.15**	**(1.78)**	**(3.78)**	**800.42**	**45.20**
Profit for the year	-	-	-	-	-	334.33	-	-	334.33	29.80
Other comprehensive income for the year	-	-	-	-	-	(3.14)	(31.18)	18.94	(15.38)	6.31
Total comprehensive income for the year	**0.04**	**16.04**	**19.74**	**37.50**	**112.50**	**951.34**	**(32.95)**	**15.16**	**1,119.38**	**81.31**
Addition on ESOPs Exercised	-	11.89	-	-	-	-	-	-	11.89	-
Transferred to Securities premium account	-	-	(11.89)	-	-	-	-	-	(11.89)	-
Employees stock option expenses for the year (refer note 35)	-	-	13.39	-	-	-	-	-	13.39	-
Amount transferred to debenture redemption reserve	-	-	-	37.50	-	(37.50)	-	-	-	-
Equity dividend including taxes thereon (refer note 49)	-	-	-	-	-	(36.07)	-	-	(36.07)	-
Reclassified to Statement of profit and loss	-	-	-	-	-	-	0.60	-	0.60	-
Transaction with non-controlling interests	-	-	-	-	-	(2.16)	-	-	(2.16)	2.66
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(2.02)
As at 31 March 2018	**0.04**	**27.93**	**21.24**	**75.00**	**112.50**	**875.61**	**(32.36)**	**15.16**	**1,095.12**	**81.95**
Impact of change in accounting policy on adoption of Ind AS 115 (refer note 55)	-	-	-	-	-	(12.71)	-	-	(12.71)	-
Restated balance as at 01 April 2018	**0.04**	**27.93**	**21.24**	**75.00**	**112.50**	**862.90**	**(32.36)**	**15.16**	**1,082.41**	**81.95**
Profit for the year	-	-	-	-	-	562.75	-	-	562.75	15.04
Other comprehensive income for the year, net of tax	-	-	-	-	-	(5.10)	86.38	(0.88)	80.40	(0.83)
Total comprehensive income for the year	**0.04**	**27.93**	**21.24**	**75.00**	**112.50**	**1,420.55**	**54.03**	**14.28**	**1,725.56**	**96.16**
Addition on ESOPs Exercised	-	10.75	-	-	-	-	-	-	10.75	-
Transferred to Securities premium account	-	-	(10.75)	-	-	-	-	-	(10.75)	-
Employees stock option expenses for the year (refer note 35)	-	-	19.16	-	-	-	-	-	19.16	-
Equity dividend including taxes thereon (refer note 49)	-	-	-	-	-	(96.80)	-	-	(96.80)	-
Amount transferred to statement of profit and loss	-	-	-	-	-	-	(8.30)	-	(8.30)	-
Transaction with non-controlling interests	-	-	-	-	-	-	-	(0.83)	(0.83)	-
Issue of equity shares	-	-	-	-	-	-	-	-	-	16.26
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(17.02)
As at 31 March 2019	**0.04**	**38.68**	**29.65**	**75.00**	**112.50**	**1,323.75**	**45.72**	**13.45**	**1,638.79**	**95.40**

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

As per our report of even date

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

Neeraj Sharma
Partner
Membership Number: 108391

Place: Pune
Date: April 23, 2019

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

Pravin Agarwal
Vice Chairman & Whole-time Director
DIN : 00022096

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: April 23, 2019

Consolidated Statement of Cash Flows
For the year ended March 31, 2019

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

Particulars	Note	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
A. Operating activities			
Profit before tax			
From continuing operations		863.54	501.66
From discontinued operation		(7.59)	(4.38)
		855.95	**497.28**
Adjustments to reconcile profit before tax to net cash flows			
Depreciation and impairment of property, plant & equipment		156.91	147.59
Amortization & impairment of intangible assets		37.98	34.47
Depreciation of investment properties		0.09	0.15
Provision for doubtful debts and advances		8.37	13.53
Provision for warranty		-	13.92
Bad debts / advances written off		17.33	10.54
Cash Flow hedge movement		-	0.60
(Profit) / Loss on sale of plant and equipment, net		(2.08)	1.65
Rental income		(2.01)	(2.68)
Change in Fair Value of Investment		1.74	-
Employees stock option expenses		19.16	13.39
Finance costs		105.49	103.83
Finance income		(16.92)	(13.65)
Share of loss of joint venture		-	0.92
Unrealized exchange difference		(2.88)	(2.31)
		323.18	**321.94**
Operating profit before working capital changes		**1,179.13**	**819.22**
Working capital adjustments:			
Increase/(decrease) in trade payables		1,192.15	202.52
Increase (decrease) in long-term provisions		(24.15)	0.62
Increase/(decrease) in short-term provisions		(16.61)	1.24
Increase/(decrease) in other current liabilities		(59.57)	95.54
Increase/(decrease) in contract liabilities		270.36	-
Increase/(decrease) in other current financial liabilities		59.16	(15.74)
Increase/(decrease) in other non-current financial liabilities		(23.81)	28.91
Increase/(decrease) in current employee benefit obligations		(15.84)	12.06
Increase/(decrease) in non-current employee benefit obligations		24.37	(6.49)
Decrease/ (increase) in trade receivable		(339.60)	(202.34)
Decrease/ (increase) in non-current trade receivable		2.33	0.43
Decrease/ (increase) in inventories		(121.28)	(7.09)
Decrease/ (increase) in long-term loans		(7.25)	(30.55)
Decrease/ (increase) in other current financial assets		(29.93)	(1.19)
Decrease/ (increase) in other non-current financial assets		(34.72)	4.07
Decrease/ (increase) in other current assets		(110.89)	(62.50)
Decrease/ (increase) in contract assets		(1,093.51)	-
Decrease/ (increase) in other non-current assets		3.47	0.91
Change in working capital		**(325.32)**	**20.39**
Cash generated from operations		**853.81**	**839.61**
Income tax paid (net of refunds)		(222.76)	(110.68)
Net cash flow from operating activities		**631.05**	**728.93**

Statement of Cash Flows
For the year ended March 31, 2019

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

Particulars	Note	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
B. Investing activities			
Purchase of property, plant & equipments		(832.41)	(450.09)
Receipt of government grant for investment in property, plant & equipments		28.82	-
Purchase of intangible assets		(5.42)	(7.61)
Proceeds from sale of property, plant & equipment		5.96	1.82
Investment in Associates/JVs		(4.54)	(9.60)
Investment in subsidiaries, net of cash acquired		(366.17)	-
Purchase of current investments		(100.17)	(357.49)
Proceeds from current investments		155.00	238.86
Investment in bank deposits (having original maturity of more than three months)		12.97	(11.38)
Redemption of bank deposits (having original maturity of more than three months)		(84.57)	3.82
Unpaid dividend		(0.54)	(2.83)
Rental income		2.01	2.68
Redemption of margin money deposits		-	-
Interest received (finance income)		16.95	9.66
Net cash flow used in investing activities		**(1,172.11)**	**(582.16)**
C. Financing activities			
Proceeds of long term borrowings		438.82	174.47
Repayment of long term borrowings		(86.67)	(63.63)
Proceeds/(repayment) of short term borrowings (net)		422.59	(129.24)
Proceeds from issue of shares to non-controlling interest		-	0.93
Proceeds of issue of shares against employee stock options		0.31	0.54
Interest paid		(108.07)	(96.51)
Dividend paid to minority share holder - foreign operations		-	(2.02)
Dividend paid on equity shares		(80.43)	(29.96)
Tax on equity dividend paid		(16.37)	(6.10)
Net cash flow used in financing activities		**570.18**	**(151.52)**
Net increase/(decrease) in cash and cash equivalents		**29.12**	**(4.75)**
Foreign exchange relating to cash and cash equivalents of Foreign operations		0.33	(4.30)
Cash and cash equivalents as at beginning of year		119.56	129.81
Cash and cash equivalents as at year end		**149.01**	**120.76**
Components of cash and cash equivalents:			
Balances with banks		**143.25**	**119.53**
Cash in hand		0.04	0.03
Total cash and cash equivalents (Refer note 15A)		**143.29**	**119.56**
Cash & cash equivalents from discontinued operation (Refer note 16)		5.72	1.20
Total cash and cash equivalents		**149.01**	**120.76**

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

As per our report of even date

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

Neeraj Sharma
Partner
Membership Number: 108391

Place: Pune
Date: April 23, 2019

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

Pravin Agarwal
Vice Chairman & Whole-time Director
DIN : 00022096

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: April 23, 2019

Notes
to consolidated financial statements for the year ended March 31, 2019

1. Corporate information

The consolidated Ind AS financial statements comprise financial statements of Sterlite Technologies Limited (the Group) and its subsidiaries and joint venture (collectively, the Group) for the year ended 31 March 2019. The Group is a public Group domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on two stock exchanges in India. The registered office of the Group is located at E 1, MIDC Industrial Area, Waluj, Aurangabad, Maharashtra, India. The Group is primarily engaged in the business of Telecom products and solutions.

The Group is a global leader in end-to-end data network solutions. The Group designs and deploy high-capacity converged fibre and wireless networks. With expertise ranging from optical fibre and cables, hyper-scale network design, and deployment and network software, the Group is the industry's leading integrated solutions provider for global data networks. The Group partners with global telecom companies, cloud companies, citizen networks and large enterprises to design, build and manage such cloud-native software-defined networks.

The consolidated Ind AS financial Statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Group on April 23, 2019.

2. Significant accounting policies

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

2.1 Basis of preparation

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

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

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- Share Based Payments
- Defined benefit plans- plan assets measured at fair value
- Asset held for sale – measured at fair value less cost to sale.

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

Amended standards adopted by the Group

The Group has applied Ind AS 115 for the first time for their annual reporting period starting from April 01, 2018. Group has disclosed the impact of adoption of Ind AS 115 in note 55 to the financial statements.

2.2 Principles of consolidation and equity accounting

The consolidated Ind AS financial statements comprise the financial statements of the Group and its subsidiaries and joint venture as at 31 March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group’s voting rights and potential voting rights;
- The size of the Group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31st March, except for a subsidiary acquired in the current year. (Refer note 47) When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date;

(b) Eliminate the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Eliminate in full intragroup assets and liabilities, equity, income, expenses relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Summary of significant accounting policies

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

a) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred; liabilities incurred to the former owners of the acquired business; equity interests issued by the Group and fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred; amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in

Notes
to consolidated financial statements for the year ended March 31, 2019

the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange.
The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

b) Investment in joint ventures

The Group's investment in its joint venture is accounted for using the equity method. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

c) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

d) Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

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

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

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

e) Revenue from contracts with customers

Ind AS 115 Revenue from contracts with customers has been issued with effect from April 1, 2018. The new standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

A new five-step process must be applied before revenue can be recognised:

(i) identify contracts with customers

(ii) identify the separate performance obligation

(iii) determine the transaction price of the contract

(iv) allocate the transaction price to each of the separate performance obligations, and

(v) recognise the revenue as each performance obligation is satisfied.

Transition

On transition to Ind AS 115, the Group has elected to adopt the new revenue standard as per cumulative catch-up transition method. As per the cumulative catch-up transition method, the Group has recognized the cumulative effect of initially applying the Ind AS 115 as at April 1, 2018 in retained earnings. The comparative financial statements for year ended March 31, 2018 are not restated.

Revenue recognition policy

The Group has following streams of revenue:

(i) Revenue from sale of goods

(ii) Revenue from sale of services

(iii) Revenue from network integration projects

(iv) Revenue from software products/licenses and implementation activities

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

The Group identifies distinct performance obligations in each contract. For most of the network integration projects contracts, the customer contracts with the Group to provide a significant service of integrating a complex set of tasks and components into a single project or capability. Hence, the entire contract is accounted for as one performance obligation.

However, the Group may promise to provide distinct goods or services within a contract, for example when a contract covers multiple promises (e.g., construction of network with its maintenance and support), in which case the Group separates the contract into more than one performance obligation. If a contract is separated into more than one performance obligation, the Group allocates the total transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

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

(a) The customer simultaneously consumes the benefits as the Group performs, or

Notes
to consolidated financial statements for the year ended March 31, 2019

(b) The customer controls the work-in-progress, or

(c) The Group's performance does not create an asset with alternative use to the Group and the Group has right topayment for performance completed till date

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

The Group uses input method to measure the progress for contracts because it best depicts the transfer of control to the customer which occurs as it incurs costs on contracts. Under the input method measure of progress, the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of the performance obligation. Revenues, including estimated fees or profits, are recorded proportionally as costs are incurred. Revenue in respect of operation and maintenance contracts is recognized on a time proportion basis.

Due to the nature of the work required to be performed on performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgment. It is common for network integration projects contracts to contain liquidated damages on delay in completion/performance, bonus on early completion, or other provisions that can either increase or decrease the transaction price. These variable amounts generally are awarded upon achievement of certain performance metrics, program milestones or cost targets and may be based upon customer discretion.

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

Contracts are modified to account for changes in contract specifications and requirements. The Group considers contract modifications to exist when the modification either creates new or changes the existing enforceable rights and obligations. Most of the contract modifications are for goods or services that are not distinct from the existing contract due to the significant integration service provided in the context of the contract and are accounted for as if they were part of that existing contract. The effect of a contract modification on the transaction price and measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

When estimates of total costs to be incurred exceed total estimates of revenue to be earned on a performance obligation related to a contract, a provision for the entire loss on the performance obligation is recognized in the period.

For fixed price contracts, the customer pays the fixed amount based on the payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payment exceed the services rendered, a contract liability is recognised.

All the qualitative and quantitative information related to significant changes in contract asset and contract liability balances such as impairment of contract asset, changes due to business combination, changes in the timeframe for a performance obligation to be satisfied are disclosed by the Group at every reporting period.

Revenue recognised at a point-in-time
For sale of products, revenue is recognized at point in time when control of goods is transferred to the customer - based on delivery terms, payment terms, customer acceptance and other indicators of control as mentioned above.

f) Other Income

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

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

3. Rental income

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

g) Government grants

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

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

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

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

h) Taxes

Current income tax

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

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

Deferred tax

Deferred tax is provided in full using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and 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, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted at the

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reporting date and are expected to apply in the year when the asset is realised or the liability is settled.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable Group and the same taxation authority and intend to settle on a net basis or to realise the asset and settle the liability simultaneously.

i) Property, plant and equipment

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

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

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

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

Asset Category	Useful Life considered	Useful life (Schedule II#)
Plant and Machinery	3 - 25 Years *	Continuous process plant -25 Years Others - 15 Years
Furniture and fixtures	7.5 - 10 Years *	10 Years
Data processing equipments	3 - 5 Years *	Service and networks -6 years and Desktops and laptop etc - 3 Years
Office equipment	4 - 5 Years *	5 Years
Electric fittings	4 - 10 Years *	10 Years
Vehicles	4 - 5 Years *#	8 Years

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

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

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

The Group depreciates building using straight line method over 30 to 60 years from the date of original purchase.

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

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

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

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

j) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The Group, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful life which is also the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

k) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. 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 Group does not have any intangible assets with indefinite useful lives.

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

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

Software's are amortised on a straight line basis over a period of five to six years.

All other intangible assets are amortised on a straight line basis over a period of five to six years.

Goodwill on amalgamation is amortised on a straight line basis over a period of five years from the date of amalgamation as per the Court Order.

Customer relationships recognised as a part of business combination are amortised over period of five years.

Research costs are expensed as incurred.

l) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly stated in the arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the leases inception at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are

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apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risk and rewards of ownership are not transferred to the group are classified as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payment are structured to increase in line with the expected general inflation to compensate for the lessors expected inflationary cost increases.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. 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.

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

The respective leased assets are included in the balance sheet based on their nature.

m) Inventories

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

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

n) Impairment of non-financial assets

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

o) Provisions

General

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

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

p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) Defined benefit plans in the nature of gratuity and

(b) Defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

q) Share-based payments

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions (e.g., the entity's share price)
- Excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and

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- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

r) Investments and Other Financial assets

i) Classification & Recognition:

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

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

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

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

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

ii) Measurement:

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

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

Debt instruments

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

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

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

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

Equity instruments

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

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

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

The Group makes investments in certain joint ventures and associates with the objective to generate growth in the medium term and with identified exit strategies. Such investments are managed on a fair value basis. The Group has elected to measure investments in such joint ventures and associates in accordance with Ind AS 109.

iii) Impairment of financial assets

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

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;

b) Lease receivables under Ind AS 17

c) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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

- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 115.

The application of simplified approach does not require the Group 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 Group 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 Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

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

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

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

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

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

iv) De-recognition of financial asset

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

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

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

v) Reclassification of financial assets

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

s) Financial liabilities

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

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

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

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

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

Borrowing Costs

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

t) Offsetting of financial instruments

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

u) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges). The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the Group designate the full change in fair value of the forward contract as the hedging instrument. The gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

With respect to gain or loss relating to the effective portion of the of forward contracts, the deferred hedging gains and losses are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses). If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

Derivatives that are not designated as hedges

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in statement of profit and loss.

Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks

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of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

v) Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of (i) the amount determined in accordance with the expected credit loss model as per Ind AS 109 and (ii) the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the principles of Ind AS 115.

The fair value of financial guarantees is determined based on the present value of the difference between the cash flows between the contractual payments required under the debt instrument and the payments that would be without the guarantee, or the estimated amount that would be payable to the third party for assuming the obligations.

Where the guarantees in relation to the loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

w) Cash and cash equivalents

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

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

x) Dividends

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

y) Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

z) Presentation of EBITDA

The Group 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 group's financial position or performance.

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

aa) Trade receivable

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

bb) Segment Reporting

Operating segments are report in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Directors has been identified as being the CODM. Refer note 56 for segment information presented.

cc) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

dd) Rounding of amount

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

2.4 Recent accounting pronouncements

a) Ind AS 116- Leases:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2019 and that comparatives will not be restated.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

The group is in the process of assessing the detailed impact of Ind AS 116.

b) Ind AS 12 Income taxes - Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C

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recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Group will adopt the standard on April 1, 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

c) Amendment to Ind AS 12 – Income taxes - Amendments related to income tax consequences of dividend :
On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Group currently evaluating the effect of this amendment on the financial statements.

d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement: On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. Currently the Group does not have any impact on account of this amendment.

Note 3: Significant Accounting Judgements, Estimates And Assumptions

The preparation of financial statements requires the use of accounting estimates. Management also needs to exercise judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is described below.

Impairment of Goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount of a cash generating unit (CGU) is determined based on value in use calculations. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group 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. The key assumptions used to determine the recoverable amount for goodwill including a sensitivity analysis are disclosed and further explained in Note 6.

Estimation of provision for Excise/Customs matter

The Company had in an earlier year received an order of CESTAT upholding a demand of ₹188 crores (including penalties and excluding interest) (₹188 crores as at March 31, 2018) in a pending excise/customs matter against which the Company's appeal with the Honourable Supreme Court has been admitted. The details of the matter and the amount of provision made based on management's estimate are disclosed and further explained in Note 44.

Revenue Recognition on Contracts with Customers

The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the distinct goods/services and the ability of the customer to benefit independently from such goods/services.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, liquidated damages, penalties, price concessions and incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer.
The estimated amount of variable consideration is adjusted in the transaction price only to the extent

that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

The Group uses judgement to determine an appropriate standalone selling price for a performance obligation (allocation of transaction price). The Group allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Group uses the expected cost plus reasonable margin approach to allocate the transaction price to each distinct performance obligation.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, timing gap between transfer of control and actual revenue recognition, etc.

Revenue for fixed-price contract is recognised using the input method for measuring progress. The Group uses cost incurred related to total estimated costs to determine the extent of progress towards completion. Judgement is involved to estimate the future cost to complete the contract and to estimate the actual cost incurred basis completion of relevant activities towards fulfilment of performance obligations.

Contract fulfilment costs are generally expensed as incurred except for costs that meet the criteria for capitalisation. Such costs are amortised over the life of the contract.

Uninstalled materials are materials that will be used to satisfy performance obligations in a contract for which the cost incurred does not depict transfer to the customer. The Group excludes cost of uninstalled materials for measuring progress towards satisfying a performance obligation if it involves only provision of a procurement service. In case of uninstalled materials, the Group recognises revenue equal to the cost of the uninstalled materials if the goods are distinct, the customer is expected to obtain control of the goods significantly before services related to the goods are rendered, the cost of the transferred goods is significantly relative to the total expected costs to completely satisfy the performance obligation and the goods are procured from a third party wherein there is no involvement of the Group in designing and manufacturing of the good.

Share-based payments

The Group measures the cost of equity-settled transactions with employees using Black Scholes model and Monte carlo's simulation model to determine the fair value of options. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions relating to vesting of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 35.

Defined benefit plans

The cost of the defined benefit plan and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increase, employee turnover and expected return on planned assets. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at the year end. Details about employee benefit obligations and related assumptions are given in Note 25.

Business Combinations

In accounting for business combinations, judgement is required for valuation of assets and identifying whether an identifiable intangible asset is to be recorded separately from goodwill. Additionally, estimating the acquisition date fair value of the identifiable asset acquired and liabilities and contingent considerations involves management judgement. These measurements are based on information available at the acquisition date and are based on expectations and assumptions, such as discount rate, that have been deemed reasonable by management. Changes in these judgements, estimates and assumptions can materially affect the results of operations.

Note 4: Property, Plant & Equipment

(Amounts ₹ crores)

	Freehold land	Leasehold land	Buildings#	Plant & machinery	Furniture & fixtures	Data processing equipments	Office equipments	Electrical fittings	Vehicles	Total
Cost										
At 01 April 2017	**63.29**	**35.02**	**247.79**	**1,632.37**	**16.64**	**49.51**	**13.83**	**45.15**	**9.17**	**2,112.77**
Additions	3.75	0.79	12.82	103.80	0.25	7.01	0.62	1.63	2.34	133.01
Assets included in disposal group classified as held for sale	-	-	-	(44.38)	-	-	-	-	-	(44.38)
Translation Adjustments	-	0.49	3.42	11.90	-	0.11	0.04	-	-	15.96
Disposals/Adjustments	-	-	(1.03)	(15.72)	(0.22)	(1.81)	(0.15)	(0.22)	(0.31)	(19.46)
At 31 March 2018	**67.04**	**36.30**	**263.00**	**1,687.97**	**16.67**	**54.82**	**14.34**	**46.56**	**11.20**	**2,197.90**
Additions	-	7.65	201.98	968.43	0.76	6.17	2.12	11.81	5.45	1,204.37
Transfer from Investment property (refer note 7)	-	-	10.03	-	-	-	-	-	-	10.03
Assets Acquired under business combination (refer note 47)	53.30	-	51.04	33.31	-	-	-	-	-	137.65
Translation Adjustments	(0.89)	(0.09)	(2.66)	(6.51)	-	(0.02)	(0.01)	-	(0.12)	(10.30)
Disposals/Adjustments	-	-	(0.24)	(17.28)	(0.22)	(0.86)	(0.12)	(0.05)	(4.16)	(22.93)
At 31 March 2019	**119.45**	**43.86**	**523.15**	**2,665.92**	**17.21**	**60.11**	**16.33**	**58.32**	**12.37**	**3,516.72**
Depreciation,amortization and Impairment										
At 01 April 2017	**-**	**2.27**	**54.45**	**802.33**	**7.96**	**28.08**	**8.34**	**22.74**	**3.55**	**929.72**
Additions	-	0.39	14.21	109.58	2.36	7.89	1.60	3.08	1.54	140.65
Assets included in disposal group classified as held for sale	-	-	-	(2.03)	-	-	-	-	-	(2.03)
Translation Adjustments	-	0.06	0.63	2.75	-	0.06	0.02	-	-	3.52
Disposal/Adjustments	-	-	(0.18)	(6.54)	(0.20)	(1.56)	(0.14)	(0.15)	(0.29)	(9.06)
At 31 March 2018	**-**	**2.72**	**69.11**	**906.09**	**10.12**	**34.47**	**9.82**	**25.67**	**4.80**	**1,062.80**
Additions	-	0.52	17.80	119.02	2.03	8.30	1.71	5.77	1.76	156.91
Transfer from Investment property (refer note 7)	-	-	1.24	-	-	-	-	-	-	1.24
Translation Adjustments	-	(0.01)	(1.05)	(1.45)	-	(0.01)	-	-	(0.11)	(2.63)
Disposal/Adjustments	-	-	(0.09)	(14.71)	(0.16)	(0.84)	(0.11)	(0.05)	(3.10)	(19.06)
At 31 March 2019	**-**	**3.23**	**87.01**	**1,008.95**	**11.99**	**41.92**	**11.42**	**31.39**	**3.35**	**1,199.26**
Net Book Value										
At 31 March 2019	**119.45**	**40.63**	**436.14**	**1,656.97**	**5.22**	**18.19**	**4.91**	**26.93**	**9.02**	**2,317.46**
At 31 March 2018	**67.04**	**33.58**	**193.89**	**781.88**	**6.55**	**20.35**	**4.52**	**20.89**	**6.40**	**1,135.10**

Movement in Capital work in progress	
Opening balance as at 01 April 2018	**357.02**
Additions during the year	1,213.42
Borrowing cost capitalised during the year (Refer Note 33)	53.37
Transfers during the year	(1,204.37)
Closing balance as at 31 March 2019	**419.44**

Capital work in progress mainly comprises amounts pertaining to plant & machinery.

 # Buildings include those constructed on leasehold land:

	31 March 2019	31 March 2018
Gross Block	269.77	118.25
Depreciation for the year	10.30	4.25
Accumulated depreciation	45.84	35.54
Net Block	223.93	82.71

Refer note 19 for information on property, plant and equipment pledged as security by the Group

Refer note 39 for disclosure of capital commitments for the acquisition of property, plant & equipments.

Note 5: Intangible Assets

(Amount ₹ in crores)

	Software/ licenses	Patents	Customer acquisition / Customer Relationships	Right of Way	Indefeasible right of use	Goodwill (Refer note 6)	Total
Cost							
At 01 April 2017	**21.73**	**9.32**	**5.66**	**5.10**	**0.99**	**148.19**	**190.99**
Additions	7.76	-	0.09	-	-	-	7.85
Assets included in disposal group classified as held for sale	(5.10)	-	-	-	-	-	(5.10)
Translation Adjustments	0.14	-	-	-	-	-	0.14
At 31 March 2018	**24.53**	**9.32**	**5.75**	**5.10**	**0.99**	**148.19**	**193.88**
Additions	4.87	-	-	-	-	-	4.87
Assets acquired under business combination (Refer note 47)	-	-	30.34	-	-	62.27	92.61
Translation Adjustments	(0.02)	-	-	-	-	0.80	0.78
At 31 March 2019	**29.38**	**9.32**	**36.09**	**5.10**	**0.99**	**211.26**	**292.14**
Amortization & Impairment							
At 01 April 2017	**12.83**	**9.32**	**3.06**	**0.23**	**0.31**	**44.62**	**70.37**
Additions	4.16	-	0.60	-	0.07	29.64	34.47
Assets included in disposal group classified as held for sale	(1.18)	-	-	-	-	-	(1.18)
Translation Adjustments	0.12	-	-	-	-	-	0.12
At 31 March 2018	**15.93**	**9.32**	**3.66**	**0.23**	**0.38**	**74.26**	**103.78**
Additions	4.67	-	3.57	-	0.07	29.65	37.96
Translation Adjustments	(0.01)	-	-	-	-	-	(0.01)
At 31 March 2019	**20.59**	**9.32**	**7.23**	**0.23**	**0.45**	**103.91**	**141.73**
Net Book Value							
At 31 March 2019	8.79	-	28.86	4.87	0.54	107.35	150.41
At 31 March 2018	8.60	-	2.09	4.87	0.61	73.93	90.10

Note 6: Impairment Testing of Goodwill

	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Goodwill (refer note 5)	107.35	73.93

Goodwill is monitored by management at CGU level. The Group has performed its annual impairment test by computing the recoverable amount based on a value in use calculations which require the use of assumptions as given in table below. The calculations use cash flow projections from financial budgets approved by senior management covering a period of five years. The management has not identified any instances that could cause the carrying amount of the CGU's to exceed the recoverable amount.

A CGU level summary of the goodwill allocation is given below:

	Network software CGU	Connectivity Solutions business in Europe Region CGU
31 March 2019		
Goodwill	44.29	63.06
31 March 2018		
Goodwill	73.93	-

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Key assumptions used in the value in use calculations
The following table provides the key assumptions for this CGU that have goodwill allocated to them:

Long-term EBIDTA margins over the budgeted period	10.50%-16.50%	13.00%-16.00%
Long-term terminal Growth rate	5.00%	5.00%
Pre-tax discount rate	15.70%	10.70%

Management has determined the values assigned to each of the above key assumptions as follows:

Discount rate
Discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and the CGU and is derived from the CGU's weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. CGU specific risk is incorporated by applying individual beta factor. The beta factor is evaluated annually based on publicly available market data.

Growth rate
The Company has considered growth rate to extrapolate cash flows beyond the forecast period, consistent with the industry forecasts.

EBITDA margins
EBITDA margins are based on the actual EBITDA of respective CGU based on the past trend and future expectations.

Sensitivity to changes in assumptions - Network Software CGU
The management believes that no reasonably possible change in any of the key assumptions used in the value in use calculation would cause the carrying value of the CGU to materially exceed its value in use.

Sensitivity to changes in assumptions - Connectivity Solutions business in Europe Region CGU

Growth rate assumptions
The management recognizes that the speed of technological change and the possibility of new entrants can have a significant impact on growth rate assumptions. A reduction of 2% in the long-term growth rate would result in impairment.

Discount rates
A rise in pre-tax discount rate to 18.50% would result in impairment.

EBITDA margins - A decreased demand can lead to a decline in EBITDA. A decrease in EBITDA margins below 10% would result in impairment.

Note 7: Investment Property

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Cost		
Opening gross block	10.03	10.03
Addition	-	-
Transferred to property, plant & equipment during the year (refer note 4)	(10.03)	-
Closing gross block	**-**	**10.03**
Accumulated Depreciation		
Opening balance	**1.15**	**0.99**
Additions	0.09	0.16
Transferred to property, plant & equipment during the year (refer note 4)	(1.24)	-
Closing balance	**-**	**1.15**
Net Block	**-**	**8.88**

Notes
Amounts recognised in profit and loss for investment property

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Rental income derived from investment properties	0.57	0.86
Direct operating expenses (including repairs and maintenance) from property generating rental income	(0.01)	(0.01)
Profit arising from investment properties before depreciation	**0.56**	**0.85**
Less: Depreciation	(0.09)	(0.15)
Profit arising from investment properties	**0.47**	**0.70**

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Fair Value	**NA**	**15.07**

The Group's investment property consisted of a commercial property in India.

As at 31 March 2018 the fair value of the investment property was ₹ 15.07 crores. This value was based on valuations performed by the management on the basis of available market quotes/ prevalent property prices in the same and nearby localities (Fair value judgements and estimates as per Level 2 hierarchy).

The Group had no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

During the current year, Group has started using the property for its own use and therefore the same has been reclassified to buildings block under property plant and equipment. (Refer note 4)

Notes
to consolidated financial statements for the year ended March 31, 2019

Note 8: Investments

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Non-current investments		
Investment in Joint Venture		
Equity investment in Sterlite Conduspar Industrial Ltda	- *	-*
Investment in Joint venture at fair value through P&L$		
333 (31 March 2018: 333) Equity shares of Metis Eduventures Pvt Ltd	0.26	2.00
Investments - Other at fair value through OCI		
10 (31 March 2018: 10) Equity shares of Singularity Healthcare IT	-*	-*
Systems Private Limited of ₹ 10 each fully paid up		
Investment in debentures (unquoted)		
Investment in debentures- Joint Venture at fair value through P&L		
17,600,000 (31 March 2018: 17,600,000) 0.001% Compulsorily	17.60	17.60
Convertible Debentures of Metis Eduventures Pvt Ltd		
5,000,000 (31 March 2018: Nil) 0.001% Cumulative Optionally		
Convertible Debentures of Metis Eduventures Pvt Ltd	5.00	- *
Investment in debentures- (Others, at fair value through OCI)		
3,199,990 (31 March 2018: 3,199,990) 0.001% Compulsorily	-*	- *
Convertible Debentures of Singularity Healthcare IT Systems Private Limited of ₹ 10 each fully paid up		
Investment in Associate		
Investment in MB Maanshan Special Cable Limited	12.44	- *
Total Investments	**35.30**	**19.60**
Total non-current investments		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	35.30	19.60
Amount of impairment in the value of investments#	1.74	3.20

* Amount is below the rounding off norm followed by the Company.

$ As described in Significant accounting policies (refer note 2), the Group makes investments in certain joint ventures and associates with the objective to generate growth in the medium term and with identified exit strategies. Such investments are managed on a fair value basis. As permitted by Ind AS 28, the Group has elected to measure such investments in joint ventures and associates in accordance with Ind AS 109.

These amounts pertain to fair value change in the investment recognised during the year.

Note 9: Trade Receivables

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Non-current		
Trade receivables	1.76	4.09
	1.76	**4.09**
Break-up for security details		
- Unsecured, considered good	1.76	4.09
	1.76	**4.09**
Total Non-current trade receivables	**1.76**	**4.09**

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Current		
Trade receivables	1,367.65	870.58
Receivables from related parties (refer note 51)	25.34	20.75
	1,392.99	**891.33**
Break-up for security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	1,354.86	867.19
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - Credit impaired	38.13	24.14
Total	**1,392.99**	**891.33**
Less: Impairment Allowance*	38.13	24.14
Total Current trade receivables	**1,354.86**	**867.19**

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

Refer note 19 for information on trade receivables hypothecated as security by the Group.

* Includes impact on account of business combination.

Acquired receivables (refer note 47)

The fair value of acquired trade receivables is ₹ 181.21 crores. The gross contractual amount for trade receivables due is ₹ 184.54 and of which ₹ 3.33 crores is expected to be uncollectible.

Note 10: Loans

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Non-current (Unsecured, considered good)		
Loans to related parties (Refer note 51)	42.01	34.55
Loans to employees	0.68	0.46
Total non-current loans	**42.69**	**35.01**
Break-up for security details		
Loans Considered good - secured	-	-
Loans Considered good - Unsecured	42.69	35.01
Loans which have significant increase in credit risk	-	-
Loans Credit Impaired	-	-
Total	**42.69**	**35.01**

Note 11: Other Financial Assets

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Non-current (Unsecured, considered good)		
Derivative instruments		
Foreign exchange forward contracts	33.34	-
Others		
Security deposits	8.81	7.02
Others	0.25	0.67
Total other non-current financial assets	**42.40**	**7.69**
Current (Unsecured, considered good)		
Derivative instruments		

Notes
to consolidated financial statements for the year ended March 31, 2019

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Foreign exchange forward contracts	58.25	2.26
Currency/ Interest rate swaps	0.28	1.31
Others		
Security deposits	6.98	3.75
Interest accrued on investments/deposits	0.26	0.29
Others*	33.55	61.80
Total other current financial assets	**99.32**	**69.41**

*This includes expenses incurred on behalf of customer, amounting to ₹ 18.04 crores (31 March 2018: ₹ 49.83 crores)

Refer note 19 for information on financial assets hypothecated as security by the Group.

Note 12: Other Assets

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Non-current		
Capital advances (Unsecured, considered good)	16.99	68.03
Advance income tax, including TDS (net of provisions)	4.11	24.86
Prepaid expenses	3.64	5.16
Total other non-current assets	**24.74**	**98.05**
Contract assets (refer note 55)	**1,093.51**	**-**

Significant changes in Contract assets

Contract assets have increased from previous year as group has incurred costs towards the fulfilment of performance obligations identified under the contracts with customers before the billing milestone for fixed price contracts.

There is no impairment allowance for the contract assets for current year.

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Current		
Capital advances (Unsecured, considered good)	7.94	-
Prepaid expenses	43.11	11.23
Balances with Government authorities	280.64	75.79
Gross amount due from customers for construction contracts (refer note 43)	-	148.98
Unbilled revenue	-	17.34
Advance to creditors	57.40	16.53
Other advances	3.98	1.98
Total other current assets	**393.07**	**271.86**

During the year ended 31 March 2019, ₹ 148.98 crores of gross amount due from customers from construction contract and ₹ 17.34 crores of unbilled revenue as of 01 April 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

Note 13: Inventories

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Raw materials	209.62	91.24
[Includes stock in transit ₹ 20.28 crores (31 March 2018: ₹ 15.59 crores)]		
Work-in-progress	74.46	25.25
Construction work-in-progress	-	98.80
Finished goods	219.36	55.62
[Includes stock in transit ₹ 39.65 crores (31 March 2018: ₹ 48.63 crores)]		
Traded goods	7.91	4.68
Stores, spares, packing materials and others	78.30	62.26
Total	**589.65**	**337.85**

Amount recognised in Statement of Profit and Loss

Write-downs of inventories to net realisable value amounted to ₹28.14 crores (31 March 2018: ₹ 9.22 crores). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

Refer note 19 for information on inventories hypothecated as security by the Group.

Note 14: Current Investments

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
In mutual funds (At fair value through profit or loss) (quoted)		
Nil (31 March 2018: 17,386) units of Reliance Liquid Fund- Cash Plan- Direct Growth Plan - Growth Option	-	50.00
Nil (31 March 2018: 222,499) units of SBI Magnum Insta Cash Fund- Treasury Plan- Direct Growth Plan- Growth Option	-	50.00
Nil (31 March 2018: 2,290,514) units of ICICI Prudential Money Market Fund- Treasury Plan- Direct Growth Plan - Growth Option	-	55.00
102,567.82 (31 March 2018: Nil) units of SBI Liquid fund- Direct Growth Plan	30.00	-
1,086,454.63 (31 March 2018: Nil) units of ICICI Prudential Liquid Fund- Direct Plan- Growth Option	30.00	-
87,774.43 (31 March 2018: Nil) units of Reliance Ultra Short duration fund - Direct growth plan	40.00	-
Investment in short term liquid funds	0.17	-
Aggregate amount of quoted investments [Market Value: ₹ 100.17 crores (March 31, 2018: ₹ 155.00 crores)]	**100.17**	**155.00**

Note 15A: Cash and Cash Equivalents

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Balances with banks:		
In current accounts	127.33	112.26
In EEFC accounts	15.92	7.27
Cash in hand	0.04	0.03
Total cash and cash equivalents	**143.29**	**119.56**

There are no repatriation restrictions with regards to cash and cash equivalents.

Note 15B: Other Bank Balances

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Deposits with original maturity of more than 12 months*	1.47	15.11
Deposits with original maturity of more than 3 months but less than 12 months**	85.00	0.98
In unpaid dividend account	3.37	2.83
Other bank balance	0.55	-
Total other bank balances	**90.39**	**18.92**

* Includes ₹ 0.01 crores (31 March 2018: ₹ 2.38 crores) held as lien by banks against bank guarantees.

** ₹ 15.00 crores (31 March 2018: ₹ 0.98 crores) held as lien by banks against bank guarantees.

Notes
to consolidated financial statements for the year ended March 31, 2019

Note 16: Asset Classified as Held For Sale

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Assets classified as held for sale		
Property, plant and equipment	90.40	60.73
Capital work-in-progress	4.27	34.90
Intangible assets	3.41	3.66
Other non-current financial assets	0.02	0.02
Other non-current assets	7.98	9.94
Trade receivables	0.88	5.41
Cash and cash equivalents	5.72	1.20
Other bank balances	1.02	0.45
Other financial assets	0.02	0.02
Other current assets	0.10	0.08
Total assets of disposal group held for sale	**113.82**	**116.41**
Liabilities directly associated with assets classified as held for sale		
Borrowings	26.74	32.64
Trade payables	2.63	0.15
Employee benefit obligations	0.22	0.12
Other financial liabilities	48.28	55.91
Other liabilities	16.95	8.19
Total liabilities directly associated with assets classified as held for sale	**94.82**	**97.01**
Net assets of disposal group held for sale	**19.00**	**19.40**

Post demerger of the power business in the financial year ended March 31, 2017, the Group has been in the process of obtaining requisite approvals from government authorities to sell its equity interest in its subsidiary, Maharashtra Transmission Communication Infrastructure Limited (referred as disposal group or MTCIL) to Sterlite Power Transmission Limited. During the year, management received a letter from Department of Telecommunication rejecting Group's application for transfer of entity. The Group has filed a letter seeking justification for such rejection. Pending response from the department, the Group is committed to the sale of MTCIL post requisite regulatory approvals. The Group anticipates completion of the sale by March 2020.

Financial performance and cash flow information

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Revenue	4.52	1.70
Expenses	(12.11)	(6.08)
Loss before income tax	**(7.59)**	**(4.38)**
Income tax	-	-
Loss for the year	**(7.59)**	**(4.38)**
Other comprehensive income	-	-
Total comprehensive income	**(7.59)**	**(4.38)**
Net cash inflow / (outflow) from operating activities	18.59	8.29
Net cash inflow / (outflow) from investing activities	(10.89)	(19.10)
Net cash inflow / (outflow) from financing activities	(3.18)	11.71
Net increase in cash generated from discontinuing operation	**4.52**	**0.90**

Note 17: Share Capital

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Authorised equity share capital (no. crores)		
75.00 (31 March 2018: 75.00) equity shares of ₹2 each	150.00	150.00
Issued, subscribed and fully paid-up shares (no. crores)		
40.25 (31 March 2018: 40.10) equity shares of ₹ 2 each fully paid - up.	80.51	80.20
Total issued, subscribed and fully paid-up share capital	**80.51**	**80.20**

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

	31 March 2019		31 March 2018	
	Nos in crores	₹ in crores	Nos in crores	₹ in crores
At the beginning of the year	40.10	80.20	39.83	79.66
Issued during the year against employee stock option	0.15	0.31	0.27	0.54
Outstanding at the end of the year	**40.25**	**80.51**	**40.10**	**80.20**

b. Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share except for the underlying 74,700 (31 March 2018: 74,700) equity shares held by custodian bank against Global Depository Receipts ('GDR') which do not have voting rights.

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

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

	31 March 2019		31 March 2018	
	No. in crores	% holding	No. in crores	% holding
Immediate holding company				
Twin Star Overseas Limited, Mauritius	20.94	52.03%	20.94	52.22%
Subsidiary of Volcan Investments Limited, Bahamas [Ultimate holding company]				
Vedanta Limited	0.48	1.19%	0.48	1.20%

d. Aggregate number of bonus shares issued, share issued for consideration other than cash during the period of five years immediately preceding the reporting date :

Particulars	31 March 2019 No. in crores	31 March 2018 No. in crores
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium during the period of five years immediately preceding the reporting date	0.04	0.04

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

	31 March 2019		31 March 2018	
	No. in crores	% holding	No. in crores	% holding
1. Twin Star Overseas Limited, Mauritius (Holding Company)	20.94	52.03%	20.94	52.22%

f. Shares reserved for issue under options

For information relating to employees stock options plan, 2010 including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, refer note 35

Notes
to consolidated financial statements for the year ended March 31, 2019

Note 18: Other Equity

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Securities premium account		
Opening balance	27.93	16.04
Add: Addition on ESOPs exercised	10.75	11.89
Closing balance	**38.68**	**27.93**
Other reserves		
Capital reserve	**0.04**	**0.04**
Employee stock option outstanding		
Balance as per last financial statements	21.24	19.74
Add: Employees stock option expenses for the year (refer note 35)	19.16	13.39
Less: Transferred to Securities premium account	(10.75)	(11.89)
Closing balance	**29.65**	**21.24**
Foreign currency translation reserve		
Balance as per last financial statements	15.16	(3.78)
Add: Exchange differences on translation of foreign operations for the year	(0.88)	18.94
Less: Transaction with non-controlling interest	(0.83)	-
Closing balance	**13.45**	**15.16**
Debenture redemption reserve		
Balance as per last financial statements	75.00	37.50
Add: Amount transferred from surplus in the statement of profit and loss	-	37.50
Closing balance	**75.00**	**75.00**
General reserve	**112.50**	**112.50**
Cash flow hedge reserve		
Balance as per last financial statements	(32.36)	(1.78)
Add: Cash flow hedge reserve created on currency forward contracts	144.55	(45.77)
Add: Cash flow hedge reserve created on swap contracts	9.88	(2.15)
Less: Deferred hedging gain/(losses) transferred to the carrying amount of inventory	-	(1.09)
Less: Amount reclassified to Statement of profit and loss	(21.67)	1.69
Less: Amount transferred to Statement of profit and loss	(8.29)	-
Less: Income tax effect	(46.39)	16.74
Closing balance	**45.72**	**(32.36)**
Total Other Reserves	**276.36**	**191.58**
Retained earnings		
Opening balance	875.61	620.15
Less: Impact of change in accounting policy on adoption of Ind AS 115 (refer note 55)	(12.71)	-
Add: Net profit for the year	562.75	334.33
Add: Remeasurement of post employment benefit obligation, net of tax	(5.10)	0.06
Less: Equity dividend and tax thereon (refer note 49)	(96.80)	(36.07)
Less: Change in fair value of FVOCI equity instrument	-	(3.20)
Less: Transfer to debenture redemption reserve	-	(37.50)
Less: Transaction with non-controlling interests	-	(2.16)
Total retained earnings	**1,323.75**	**875.61**
Total other equity	**1,638.79**	**1,095.12**

Nature and Purpose of reserves other than retained earnings

Securities premium reserve

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

General reserve

General reserve is created out of the amounts transferred from debenture redemption reserve on account of redemption of debentures in earlier years.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve in equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

Cash flow hedge reserve

The Group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale and inventory purchases and interest rate risk associated with variable interest rate borrowings as described in note 48. For hedging foreign currency risk, the Group uses foreign currency forward contracts which are designated as cash flow hedges. For hedging interest rate risk, the Group uses interest rate swaps which are also designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amount recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (e.g. sales and interest payments). When the forecast transaction results in the recognition of a non-financial asset (e.g. inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non financial asset

Employee stock option outstanding

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under employee stock option plans (ESOP Schemes) approved by shareholders of the Group.

Debenture redemption reserve

The Group is required to create a debenture redemption reserve out of the profits which is available for payment of interest for the purpose of redemption of debentures as per the provision of the Companies Act, 2013.

Note 19: Borrowings

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Non-current		
Debentures (Secured)		
1,500 (31 March 2018 : 1,500) 8.45% Non convertible	150.00	150.00
debentures of ₹ 10 lacs each		
1,500 (31 March 2018 :Nil) 8.70% Non convertible debentures of ₹ 10 lacs each	150.00	150.00
Term loans		
Indian rupee loans from banks (secured)	50.00	101.14
Foreign currency loans from banks (secured)	491.48	178.63
Indian rupee loans from banks (unsecured)	100.00	-
Deferred payment liabilities (unsecured)	142.95	135.03
	1,084.43	**714.80**
The above amount includes		
Secured borrowings	841.48	579.77
Unsecured borrowings	242.95	135.03
Total Non-current borrowings	**1,084.43**	**714.80**
Less: Current maturities of long term borrowings disclosed under the head "other current financial liabilities" (refer note 20)	149.59	84.26
Net Amount	**934.84**	**630.54**

Notes
to consolidated financial statements for the year ended March 31, 2019

Notes:

Sterlite Technologies Limited (STL)

a) 8.45% Non convertible debentures carry 8.45% rate of interest. Out of the total outstanding amount, 50% are redeemable at par during the FY 2019-20 and balance in the FY 2020-21 . These non-convertible debentures are secured by way of first pari passu charge on entire movable fixed assets (both present and future) and immovable fixed assets of the Company located at Dadra & Nagar Haveli and Pune.

b) 8.70% Non convertible debentures carry 8.70% rate of interest. Total amount of non-convertible debentures is due in the FY 2022-23 . These non-convertible debentures are secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of immovable fixed assets of the Company located at Aurangabad.

c) Indian rupee term loan from bank amounting to ₹ 50.00 crores carries interest @ LTMLR + 0.75% p.a. Loan amount is repayable in twelve quarterly equated instalments of ₹ 10.00 crores (excluding interest) starting from July 2017. The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage immovable fixed assets of the Company located at Dadra & Nagar Haveli.

d) Foreign Currency term loan from bank amounting to ₹ 138.34 crores carries interest @ Libor+2.70 % p.a. Loan amount is repayable in 20 quarterly equated instalments of USD 0.13 crores starting from April 2018. The term loan is secured by way of first pari passu charge on entire movable fixed assets (both present and future) and mortgage of immovable fixed assets of the Company located at Dadra & Nagar Haveli and Pune.

e) Unsecured rupee term loan from bank amounting to ₹ 100 crores carries interest @ 8.70% p.a. Loan amount is repayable in single bullet payment in Financial year 2020-21.

f) Deferred payment liabilities of ₹ 142.95 crores are as per the contractual terms with creditors for property, plant and equipment and amounts are payable after 1080 days from the due date. These amounts are presented as deferred payment liabilities under borrowings as per the disclosure requirements of Schedule III. The Interest payable on these deferred payment liabilities ranges from 6 months Libor + (100-200) bps per annum.

Jiangsu Sterlite and Tongguang Optical Fiber Co. Limited (JSTFCL)

a) Foreign currency loan from bank of ₹ 17.61 crores (31 March 2018 ₹ 14.32 crores) carries interest @ 4.75% p.a.

Sterlite Technologies S.p.A

a) Foreign currency term loan from bank of ₹ 178.48 crores (31 March 2018 ₹ Nil) carries interest of EURIBOR + 1.90% p.a. Loan amount is repayable on half yearly basis beginning from financial year 2020-21. This loan is backed by corporate guarantee from Sterlite Technologies Limited.

b) Foreign currency term loan from bank of ₹ 155.20 crores (31 March 2018 ₹ Nil) carries interest of EURIBOR + 1.70% p.a. Loan amount is repayable on half yearly basis starting from financial year 2020-21. This loan is backed by SBLC issued by Citi Bank, India.

Metallurgica Bresciana S.p.A.

a) Foreign currency loan from bank of ₹ 1.84 crores (31 March 2018 ₹ Nil) carries interest of 1.25% p.a. Loan amount is repayable on half yearly basis beginning from financial year 2020-21.

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Current borrowings		
Cash credit from banks (secured)	33.62	-
Working capital demand loans from banks (secured)	50.00	-
Commercial paper from bank (unsecured)	300.00	50.00
Foreign Currency Loan (unsecured)	185.21	-
Other loan from banks (secured)	394.86	345.52
Other loans (unsecured)	10.72	67.22
Loans from related party (unsecured)	8.28	-
	982.69	**462.74**
The above amount includes		
Secured borrowings	478.48	345.52
Unsecured borrowings	504.21	117.22
Net Amount	**982.69**	**462.74**

Note:

Sterlite Technologies Limited

(i) Cash credit was secured by hypothecation of raw material inventory, work in progress, finished goods and trade receivables. The cash credit is repayable on demand and carries interest @ 7.80 % -11.50 % p.a.

(ii) Working capital demand loan from banks was secured by first pari-passu charge on entire current assets of the Company (both present and future) and second pari-passu charge on plant & machinery and other movable fixed assets of the Company. Working Capital Demand Loan has been taken for a period of 30 days and carries interest @ 8.40%.

(iii) Commercial Papers are unsecured and are generally taken for a period from 60 to 90 days and carry interest @ 6.95% to 8.00% p.a.

(iv) Other loans include buyer's credit arrangements (secured) and export packing credit (unsecured). Buyer's credit are secured by hypothecation of raw materials, work in progress, finished goods and trade receivables Export packing credit is taken for a period ranging from 30-180 days. Interest rate for both the products ranges 6.35% - 8.55% p.a.

(v) Loan from related party includes unsecured loan received from Sterlite Power Transmission Limited which is repayable on demand. The loan carries an interest rate of 10% p.a.

Jiangsu Sterlite and Tongguang Optical Fiber Co. Limited (JSTFCL)

a) Foreign currency term loan from bank of ₹ 90.35 crores (31 March 2018 ₹ Nil) carries interest @ 3.70% - 4.35% p.a.

b) Foreign currency term loan from bank of ₹ 9.85 crores (31 March 2018 ₹ Nil) carries interest @ LIBOR + 0.70%- 0.90% p.a.

Metallurgica Bresciana S.p.A.

a) Foreign currency term loan from bank of ₹ 59.47 crores (31 March 2018 ₹ Nil) carries interest @ 0.75% - 1.05% p.a.

b) Foreign currency term loan from bank of ₹ 25.59 crores (31 March 2018 ₹ Nil) carries interest @ EURIBOR + 0.75% - 1.30% p.a.

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Net debt reconciliation

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

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Cash and cash equivalents*	149.01	120.76
Current investments **	170.17	155.00
Current Borrowings	(982.69)	(462.74)
Non-current borrowings (including interest accrued but not due and current maturity of long term borrowings.)***	(1,111.17)	(618.50)
Net Debt	**(1,774.68)**	**(805.48)**

*Includes cash and cash equivalents of ₹ 5.72 crores (31 March 2018 ₹ 1.20 crores) relating to disposal group (MTCIL) classified as discontinued operations (Refer note 16).

** Includes other bank balance of ₹ 70 crores with respect to fixed deposit. These fixed deposits can be encashed by the Group at any time without any major penalties.

*** Includes non current borrowing ₹ 26.74 crores (31 March 2018 ₹ 32.64 crores) relating to disposal group (MTCIL) classified as discontinued operations (Refer note 16).

Non-current borrowings

	(₹ in crores)
As on 31 March 2018	**618.50**
Cashflows	496.83
Interest expense	51.34
Interest paid	(55.14)
Forex adjustment	(0.36)
As on 31 March 2019	**1,111.17**

Current borrowings

	(₹ in crores)
As on 31 March 2018	**462.74**
Cashflows	519.95
Interest expense	32.10
Interest paid	(32.10)
Forex adjustment	-
As on 31 March 2019	**982.69**

Cash and cash equivalent

	(₹ in crores)
As on 31 March 2018	**120.76**
Cashflows	28.25
As on 31 March 2019	**149.01**

Current Investments

	(₹ in crores)
As on 31 March 2018	**155.00**
Cashflows	13.28
Realised gain on current investment	1.89
As on 31 March 2019	**170.17**

Note 20: Other Financial Liabilities

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Non-current		
Derivative instruments		
Foreign exchange forward contracts	1.64	28.19
Currency / Interest Rate Swaps	1.13	-
Others		
Payables for purchase of property, plant and equipment	9.40	35.53
Deposits from vendors	2.71	1.10
Total non-current financial liabilities	**14.88**	**64.82**
Current		
Derivative instruments		
Foreign exchange forward contracts	10.27	31.77
Currency / Interest Rate Swaps	-	12.04
	10.27	**43.81**
Other financial liabilities at amortised cost		
Interest accrued but not due on borrowings	3.12	6.91
Interest accrued and due on borrowings	-	0.01
Current maturities of long-term borrowings (refer note 19)	149.59	84.26
Unclaimed dividend*	3.37	2.86
Deposits from customers	0.46	0.79
Deposits from vendors	0.41	0.46
Payables for purchase of property, plant and equipment (including deferred payment liabilities)	475.03	56.83
Employee benefits payable	19.40	23.56
Others	46.89	71.27
	698.27	**246.95**
Total current financial liabilities	**708.54**	**290.76**

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Note 21: Trade Payables

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Total outstanding dues of micro & small enterprises (refer note 41)	92.44	15.14
Total outstanding dues of creditors other than micro enterprises & small enterprises		
Trade payables to related parties (refer note 51)	1.25	30.41
Others	1,819.06	610.63
Total Trade Payables	**1,912.75**	**656.18**

Note 22: Provisions

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Non-current		
Provision for warranty	0.72	24.96
Others	0.29	0.16
Total non-current provision	**1.01**	**25.12**
Current		
Provision for litigations / contingencies	9.50	9.50
Provision for warranty	0.46	17.33
Others	1.50	1.24
Total current provision	**11.46**	**28.07**

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Provision for litigations / contingencies

The provision of ₹ 9.50 crores as at 31 March 2019 (31 March 2018: ₹ 9.50 crores) is towards contingencies in respect of disputed claims against the Group as described in note 40, the quantum of outflow and timing of which is presently unascertainable. There is no movement in the provision for litigations / contingencies during the year.

Provision for warranty

The Group has given warranty on network software and licences sold to customers. The timing of the outflow is expected to be within a period of eighteen months from the date of sale of telecom software products. Movement in provision for warranty is given below.

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
At the beginning of the year	42.29	27.16
Arising during the year	-	22.90
Impact of change in accounting policy on adoption of Ind AS 115 (refer note 55)	(40.33)	-
Unwinding of interest during the year	-	1.22
Utilized during the year	(0.78)	(8.99)
At the end of the year	**1.18**	**42.29**
Current portion	0.46	17.33
Non-current portion	0.72	24.96

Note 23: Other Current Liabilities

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Contract Liabilities (Refer note 55)		
Unearned revenue	89.40	-
Advance from customers	180.96	-
Total contract liabilities	**270.36**	**-**

Significant changes in Contract liabilities

Contact liabilities have increased as entity has received advance from customers against the new fixed price contracts entered during the year.

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Current		
Unearned revenue	-	35.40
Indirect taxes payable	7.38	2.03
Withholding taxes (TDS) payable	10.26	6.37
Advance from customers	-	40.86
Others	64.13	61.78
Total other current liabilities	**81.77**	**146.44**

During the year ended March 31, 2019, the Group recognized revenue of ₹ 35.40 crores arising from opening unearned revenue as of April 1, 2018.

Note 24: Deferred Tax Liabilities (Net)

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Deferred tax liability		
Property, plant & equipment: Impact of difference between tax depreciation and depreciation/amortisation for financial reporting	119.00	92.46
Impact of fair valuation of Land on transition date	15.88	15.88
Net movement on cash flow hedges	29.27	-
Others	-	2.34
Gross deferred tax liability	**164.15**	**110.68**
Deferred tax assets		
Provision for doubtful debts and advances, allowed for tax purpose on payment basis	10.48	8.41
Expenditure allowed for tax purposes on payment basis	19.48	9.12
Provision for inventory	6.90	3.63
Provision for litigations / contingencies	2.53	2.53
Net movement on cash flow hedges	-	16.74
Unused Tax Credit	18.90	18.90
Impact of fair valuation of Plant & Machinery	5.54	7.39
Impact of change in accounting policy on adoption of Ind AS 115 (refer note 55)	11.96	-
Re-measurement loss defined benefits plans	2.74	-
Others	11.23	21.79
Gross deferred tax assets	**89.76**	**88.52**
Net deferred tax liability	**74.39**	**22.16**

Reconciliation of deferred tax liability

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Opening deferred tax liability, net	22.16	(3.41)
Deferred tax (credit) / charge recorded in statement of profit and loss	(10.81)	(2.03)
Deferred tax (credit) / charge recorded in OCI	43.65	(16.70)
Movement in Unused Tax Credit	-	44.30
Deferred tax on acquisition of subsidiary (refer note 47)	22.55	-
Impact of change in accounting policy on adoption of Ind AS 115 (refer note 55)	(6.83)	-
Others	3.67	-
Closing deferred tax liability, net	**74.39**	**22.16**

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Profit or loss section		
Current Tax		
Current tax on profit for the year	288.97	135.18
Deferred Tax		
Relating to origination and reversal of temporary differences	(10.81)	(2.03)
Income tax expenses reported in the statement of profit or loss	**278.16**	**133.15**
OCI section		
Deferred tax related to items recognised in OCI during in the year		
Net (gain)/loss on revaluation of cash flow hedges	(46.39)	16.74
Re-measurement loss defined benefit plans	2.74	(0.04)
Income tax charged through OCI	**(43.65)**	**16.70**

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to consolidated financial statements for the year ended March 31, 2019

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018:

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Profit before tax & share in loss of joint venture	**863.54**	**502.58**
Tax at India's statutory income tax rate of 34.94% (31 March 2018: 34.94%)	301.72	175.60
Tax at lower tax rate of Subsidiaries	(18.61)	(25.10)
Adjustments in respect of current income tax of previous years	-	(6.40)
Tax benefits available under various sections of income tax act	(8.37)	(14.15)
Other adjustments	3.42	3.20
Income tax expense	**278.16**	**133.15**
Income tax expense reported in the statement of profit and loss	**278.16**	**133.15**

Note 24B: Current Tax Liabilities (Net)

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Current tax liabilities (Net)	55.38	-
Total current tax liabilities	**55.38**	**-**

Note 25: Employee Benefit Obligations

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Non Current		
Provision for gratuity	19.59	5.06
Provision for compensated absences	12.76	2.80
Total non-current employee benefits obligation	**32.35**	**7.86**
Current		
Provision for gratuity	10.27	13.96
Provision for compensated absences	12.07	8.79
Total current employee benefits obligation	**22.34**	**22.75**

i) Compensated Absences

The compensated absences cover the Group's liability for sick and earned leave. The amount of the provision is ₹ 24.83 crores (31 March 2018 ₹ 11.59 crores). The Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months and accordingly amounts have been classified as current and non current based on actuarial valuation report.

ii) Post employment benefit - Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to fund managed by Life Insurance Corporation of India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimate of expected gratuity payments.

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

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Defined benefit obligation at the beginning of the year	22.98	19.65
Current service cost	2.85	2.55
Interest cost	1.99	1.42
Actuarial (gain)/loss	7.33	0.04
Past service cost	-	0.27
Benefits paid	(0.97)	(0.94)
Defined benefit obligation, at the end of the year	**34.18**	**22.98**

Changes in the fair value of plan assets are as follows:

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Fair value of plan assets at the beginning of the year	3.77	3.38
Expected return on plan assets	0.51	0.37
Contribution by employer	0.97	0.56
Benefits paid	(0.93)	(0.39)
Actuarial gain / (loss)	-	(0.15)
Fair value of plan assets at the end of the year	**4.32**	**3.77**

The Group expects to contribute ₹ 4.50 crores (31 March 2018: ₹ 4.16 crores) to its gratuity plan in FY 2019-20.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31 March 2019 (%)	31 March 2018 (%)
Insurance Fund with Life Insurance Corporation of India	100	100

The fair value of planned assets represents the amount as confirmed by the fund.

Details of defined benefit obligation

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Present value of defined benefit obligation	34.18	22.80
Fair value of plan assets	(4.32)	(3.77)
Benefit liability	**29.86**	**19.03**

The net liability disclosed above relates to funded plans are as follows:

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Present value of funded obligations	34.18	17.25
Fair value of plan assets	(4.32)	(3.77)
Deficit of funded plan (A)	**29.86**	**13.48**
Unfunded plans (B)	-	**5.55**
Total net obligation (A+B)	**29.86**	**19.03**

The Group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions. The Group intends to continue to contribute the defined benefit plans as per the demand from LIC of India.

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

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Current service cost	2.85	2.55
Interest cost on benefit obligation	1.99	1.42
Past service cost	-	0.27
Expected return on plan assets	(0.51)	(0.23)
Net benefit expense	**4.33**	**4.01**

Net employee benefit expense recognised in the other comprehensive income (OCI):

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Actuarial Losses on Obligation For the Period	7.33	0.04
Return on Plan Assets, Excluding Interest Income	0.51	(0.14)
Net Expense For the Period Recognized in OCI	**7.84**	**(0.10)**

Amounts for the current and previous periods are as follows:

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)	31 March 2017 (₹ in crores)	31 March 2016 (₹ in crores)	31 March 2015 (₹ in crores)
Defined benefit obligation	34.18	22.80	19.65	16.22	11.87
Plan assets	4.32	3.77	3.37	2.59	2.08
Surplus / (deficit)	29.86	19.03	16.28	13.63	9.79
Experience adjustments on plan liabilities	3.08	(0.01)	(0.14)	1.90	0.41
Experience adjustments on plan assets	- *	-*	(0.15)	0.00*	(0.05)

* Amount is below the rounding off norm followed by the Company.

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

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Discount rate	7.64%	7.80%
Expected rate of return on plan asset	7.64%	7.80%
Employee turnover	10.00%	10.00%
Expected rate of salary increase	10.00%	8.00%

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 2019 (₹ in crores)	31 March 2018 (₹ in crores)
+1% Change in discount rate	(2.10)	(0.89)
-1% Change in discount rate	2.39	1.84
+1% Change in rate of salary increase	2.31	1.82
-1% Change in rate of salary increase	(2.08)	(0.90)
+1% Change in rate of employee turnover	(0.44)	0.31
-1% Change in rate of employee turnover	0.49	0.47

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Risk exposure
Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility:
The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Plan assets are maintained with fund manager LIC of India.

Changes in bond yields:
A decrease in bond yields will increase plan liabilities.

Future salary escalation and inflation risk:
Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at managements discretion may lead to uncertainties in estimating this risk.

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

The Group's all assets are maintained in a trust fund managed by public sector insurance Company via LIC of India. LIC has a sovereign guarantee and has been providing consistent and competitive returns over the years. The plan asset mix is in compliance with the requirements of the respective local regulations.

The weighted average duration of the defined benefit obligation is 7 years (2018 - 8 years). The expected maturity analysis of gratuity is as follows:

Maturity Analysis of defined benefit obligation:
The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	31 March 2019	31 March 2018	
	Funded	Funded	Non Funded
Projected Benefits Payable in Future Years From the Date of Reporting			
Less than 1 year	5.03	3.90	0.39
Between 1 to 2 years	2.52	2.78	0.88
Between 2 to 5 years	8.46	2.85	1.03
Over 5 years	49.26	20.64	9.33

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Note 26: Revenue from Operations

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Revenue from contracts with customers		
Sale of products		
Finished goods	3,131.30	2,433.77
Traded goods	48.49	19.99
Revenue from sale of products	**3,179.79**	**2,453.76**
Revenue from sale of services	74.71	67.31
Revenue from network integration projects	1,570.70	493.22
Revenue from software products/licenses and implementation activities	171.04	123.20
	4,996.24	**3,137.49**
Other Operating income		
Scrap sales	25.94	24.59
Export incentives	65.08	43.41
Revenue from operation	**5,087.26**	**3,205.49**

Revenue disaggregation in terms of nature of good and service has been included above.

The total contract price of ₹ 5,084.00 crores is reduced by the consideration of ₹ 87.76 crores towards variable components.

Refer note 2, 3 and 55 for accounting policy, significant judgements and details about impact of changes in accounting policies on adoption of Ind AS 115 respectively.

The Group's unsatisfied (or partially satisfied) performance obligations can vary due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates or other relevant economic factors. The aggregate value of unsatisfied (or partially satisfied) performance obligations is ₹ 2,904.00 crores which is expected to be recognised evenly over a period of one to three years. Remaining value of performance obligations is expected to be substantially recognised in the next year. Amount of unsatisfied (or partially satisfied) performance obligations does not include contracts with original expected duration of one year or less since the Group has applied the practical expedient in Ind AS 115.

In accordance with the requirements of Ind AS, revenue for the period April 1, 2017 to June 30, 2017 is inclusive of excise duty of ₹ 28.38 crore.

Note 27: Other Income

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Management Fees*	4.33	1.99
Rental Income	2.01	2.68
Profit on sale of assets, net	2.08	-
Exchange differences, net	1.65	6.28
Miscellaneous Income	9.87	14.67
Total other income	**19.94**	**25.62**

*The amount disclosed above is net of expenses for provision of services (refer note 51).

Note 28: Finance Income

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Interest income on		
- Bank deposits	0.60	0.74
- Loans to related parties (refer note 51)	2.81	1.47
- Others	0.17	2.56
Income from current investment	1.89	1.36
Interest subvention	11.45	7.52
Total finance income	**16.92**	**13.65**

Note 29: Cost of Raw Material and Components Consumed

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Inventory at the beginning of the year (refer note 13)	91.24	93.93
Adjustment on account of business combination (refer note 47)	49.77	-
Add : Purchases	2,659.93	1,219.46
	2,800.94	**1,313.39**
Less : Inventory at the end of the year (refer note 13)	209.62	91.24
Cost of Raw Material and components consumed	**2,591.32**	**1,222.15**
(Increase)/ decrease in inventories		
Opening inventories		
Traded goods	4.68	8.04
Work-in-progress	25.25	149.66
Construction work-in-progress	98.80	-
Finished goods	55.62	42.58
	184.35	**200.28**
Impact of change in accounting policy on adoption of Ind AS 115 (refer note 55) - Construction work-in-progress	(97.78)	-
Adjustment on account of business combination (refer note 47)		
Work-in-progress	46.41	-
Finished Goods	34.08	-
	167.06	**200.28**
Closing inventories		
Traded goods	7.91	4.68
Work-in-progress	74.46	25.25
Construction work-in-progress	-	98.80
Finished goods	219.36	55.62
	301.73	**184.35**
(Increase) / decrease in inventories	**(134.67)**	**15.93**

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Note 30: Employee Benefit Expense

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Salaries, wages and bonus	452.79	304.14
Contribution to provident fund (refer note below)	12.80	8.03
Gratuity expenses (refer note 25)	4.33	4.01
Employees stock option expenses (refer note 35)	19.16	13.39
Staff welfare expenses	22.15	15.15
Total Employee benefit expense	**511.23**	**344.72**

The Group has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per local regulations. The contributions are made to provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Defined Contribution Plans: The Group has recognised the following expenses in the Statement of Profit and Loss for the year.

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Contribution to Employees Provident Fund	12.80	8.03
Total	**12.80**	**8.03**

Note 31: Other Expenses

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Consumption of stores and spares	141.42	116.78
Consumption of packing materials	90.78	70.95
Increase / (decrease) of excise duty on inventory	-	(1.81)
Power, fuel and water	121.97	98.98
Labour Charges	40.88	34.03
Repairs and maintenance		
Building	2.85	4.11
Plant & machinery	14.85	14.19
Others	24.36	9.22
Corporate Social Responsibility (CSR) expenses (refer note 45)	5.37	3.64
Sales commission	35.36	28.17
Sales promotion	10.49	21.09
Carriage outwards	67.84	46.70
Rent	27.20	23.04
Insurance	12.85	11.12
Legal and professional fees	77.18	55.11
Rates and taxes	13.26	8.69
Travelling and conveyance	64.27	52.06
Loss on sale of assets, net	-	1.65
Bad debts / advances written off	17.33	10.54
Provision for doubtful debts and advances	8.37	13.53
Directors sitting fee and commission	1.57	0.75
Payment to auditor	1.53	0.66
Research and development expenses (refer note 42)		
Salaries, wages and bonus	22.26	16.07
Raw materials consumed	0.47	1.16
General expenses	12.25	11.10
Total Research and development expenses	**34.98**	**28.33**
Less Amount transferred to individual expense line item	(34.98)	(28.33)
Research and development expenses	-	-
Miscellaneous expenses*	181.92	188.77
Total other expenses	**961.65**	**811.97**

*This includes ₹ 1.74 crores pertaining to investments classified as FVTPL (refer note 8)

Note 32: Depreciation and Amortisation Expense

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Depreciation of tangible assets	156.91	140.65
Depreciation of investment property	0.09	0.16
Amortisation of intangible assets	37.98	34.47
Provision/(reversal) for impairment of tangible assets	-	6.93
Total depreciation and amortisation expense	**194.98**	**182.21**

Note 33: Finance Cost

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Interest on financial liabilities measured at amortised cost*	83.44	80.28
Bank charges	13.64	9.88
Exchange difference to the extent considered as an adjustment to borrowing costs	8.41	12.45
Unwinding of discount on provisions	-	1.22
Total finance cost	**105.49**	**103.83**

* During the year, the Group has capitalised borrowing costs of ₹ 53.37 crores (31 March 2018: ₹ 2.67 crores) incurred on the borrowings specifically availed for expansion of production facilities and general borrowing costs. The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings, in this case 8.49% p.a.

Note 34: Tax Expenses

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Current tax	288.97	135.18
Deferred tax	(10.81)	(2.03)
Total tax expenses	**278.16**	**133.15**
Unused tax losses for which no deferred tax asset has been recognised	31.85	26.97
Potential tax benefit @34.94%	11.13	9.42
Unrecognised temporary differences		
Temporary differences relating to investments in subsidiaries	228.25	219.96

Certain subsidiaries of the group have undistributed earnings where an assessable temporary difference exists, but no deferred tax has been recognised considering applicable tax regulations in countries where subsidiaries are domiciled and the parent entity is able to control the timing of distributions from these subsidiaries and is not expected to distribute these profits in the foreseeable future.

Note 35: Employee Share Based Payments

The Group has established employees stock options plan, 2010 (ESOP Scheme) for its employees pursuant to the special resolution passed by shareholders at the annual general meeting held on July 14, 2010. The employee stock option plan is designed to provide incentives to the employees of the Group to deliver long-term returns and is an equity settled plan. The ESOP Scheme is administered by the Nomination and Remuneration committee. Participation in the plan is at the Nomination and Remuneration committee's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options granted under ESOP scheme would vest in not less than one year and not more than five years from the date of grant of the options. The Nomination and remuneration committee of the Group has approved multiple grants with related vesting conditions. Vesting of the options would be subject to continuous employment with the Group and hence the options would vest with passage of time. In addition to this, the Nomination and remuneration committee may also specify certain performance parameters subject to which the options would vest. Such options would vest when the performance parameters are met.

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Once vested, the options remain exercisable for a period of one year. Options granted under the plan are for no consideration and carry no dividend or voting rights. On exercise, each option is convertible into one equity share. The exercise price is ₹ 2 per option.

The Group has charged ₹ 19.16 crores (31 March 2018: ₹ 13.39 crores) to the statement of profit and loss in respect of options granted under ESOP scheme.

a) Set Out Below is the summary of options granted under the plan.

	31 March 2019		31 March 2018	
	Average Exercise price per share	Number of Options	Average Exercise price per share	Number of Options
Opening Balance	2	50,50,978	2	71,34,568
Granted During the year	2	16,36,950	2	17,12,500
Forfeited During the year	2	-	2	-
Exercised During the year	2	(15,51,202)	2	(27,14,978)
Expired During the year	2	(5,22,248)	2	(10,81,112)
Closing Balance		**46,14,478**		**50,50,978**
Vested and Exercisable		3,41,195		2,54,827

Average share price for the year ended 31 March 2019 is 307.95 (31 March 2018: ₹ 244.84)
Share options outstanding at the end of the year have the following expiry date and exercise prices.

Grant Date	Expiry Date	Exercise Price (INR)	Share options outstanding on 31 March 2019	Share options outstanding on 31 March 2018
29 December 2011	29 December 2017	2	-	1,800
30 April 2014	30 April 2020	2	2,16,100	4,14,250
30 March 2015	30 March 2021	2	8,13,750	13,24,500
13 July 2016	13 July 2022	2	2,87,598	4,37,584
25 July 2016	25 July 2022	2	4,93,100	8,44,344
28 January 2016	26 January 2022	2	4,83,000	5,73,000
18 January 2017	18 January 2023	2	-	-
19 July 2017	19 July 2023	2	7,25,330	13,93,000
16 October 2017	16 October 2023	2	27,850	50,300
17 January 2018	19 January 2023	2	7,100	12,200
19 July 2018	19 July 2024	2	14,96,750	-
24 January 2019	24 January 2023	2	63,900	-
Total			**46,14,478**	**50,50,978**
Weighted Average remaining contractual life of the options outstanding at the end of the period			2.68	2.88

b) Fair Value of the options granted during the year-

During the current year remuneration committee has approved two grants. Following are the details of assumptions under individual grant, related vesting conditions and fair valuation model used based on the nature of vesting.

Date of Grant- July 19, 2018

The company has granted options under ESOP scheme based on following two criteria and related assumptions

1. Vesting criteria - Assured vesting of 30% Options in five years subject to continuous employment with the company

   Fair Valuation Method- Black Scholes options Pricing Model

Variables	Vest 1	Vest 2	Vest 3	Vest 4	Vest 5
	19 July 2019	19 July 2020	19 July 2021	19 July 2022	19 July 2023
Weighted Average Stock Price	301.75	301.75	301.75	301.75	301.75
Expected volatility	44.79%	42.14%	42.88%	45.40%	45.38%
Risk Free rate	7.03%	7.29%	7.44%	7.53%	7.60%
Exercise Price (₹ per Option)	2.00	2.00	2.00	2.00	2.00
Time To Maturity (years)	1.54	2.54	3.54	4.54	5.54
Dividend Yield	1.04%	1.04%	1.04%	1.04%	1.04%
Outputs					
Option Fair value	295.18	292.24	289.33	286.44	283.57
Vesting Percentage	50.00%	20.00%	10.00%	10.00%	10.00%
Fair Value of the option (Black Scholes Model)					**291.97**

2. Vesting criteria - 70% Vesting based on total Shareholders return based on market performance

Fair Valuation Method - Monte Carlo Simulation model

Vesting of these options is dependent on the shareholder return during the performance as compared to comparator group identified by Nomination and Remuneration Committee. The Monte carlo model requires the following information of the Group and comparator group companies:

- the historical share price and expected volatility during the performance period
- Risk free interest rate of the country where stock of comparator group is listed
- Dividend yield based on historical dividend payments
- Estimate of correlation coefficients for each pair of Group

Assumptions used are as follows:

Variables	
Price of underlying stock	301.75
Expected volatility	44.79%
Risk Free rate	7.03%
Exercise Price (₹ per Option)	2.00
Dividend Yield	1.04%
Fair Value of the option	**134.31**

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Date of Grant- January 24, 2019

Vesting Criteria - Continuous Employment with the company.
Fair Valuation Method - Black Scholes options Pricing Model

Variables	Vest 1	Vest 2	Vest 3
	25 Jan 2020	26 Jan 2021	25 Jan 2022
Weighted Average Stock Price	292.75	292.75	292.75
Expected volatility	44.64%	43.85%	45.57%
Risk Free rate	6.88%	7.06%	7.20%
Exercise Price (₹ per Option)	2.00	2.00	2.00
Time To Maturity	1.50	2.51	3.51
Dividend Yield	0.69%	0.69%	0.69%
Outputs			
Option Fair value	287.93	286.05	284.19
Vesting Percentage	50.00%	25.00%	25.00%
Fair Value of the option			**286.53**

Note 36: Earnings Per Share (EPS)

The following table shows the computation of basic and diluted EPS.

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Profit/(Loss) for the year from continuing operations attributable to owners of the company	568.10	337.04
Profit /(Loss) for the year from discounted operations attributable to owners of the company	(5.35)	(2.71)
Weighted average number of equity shares in calculating basic EPS	40.19	39.89
Adjustments for classification of diluted EPS:		
Employee stock options outstanding during the year	0.49	0.64
Weighted average number of equity shares in calculating diluted EPS	40.68	40.53
Earnings/(loss) per share		
Basic		
From continuing operations	14.14	8.45
From discontinued operations	(0.13)	(0.07)
Diluted		
From continuing operations	13.96	8.32
From discontinued operations	(0.13)	(0.07)

Options granted to employees under the ESOP Scheme 2010 are considered to be potential equity shares. They have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in note 35.

Note 37: The List of Subsidiaries / Joint Venture Which are Included in the Consolidation and the Group's Effective Holding Therein

Name of the Group	Effective ownership as on 31 March 2019	Effective ownership as on 31 March 2018	Country of incorporation
List of subsidiaries			
Speedon Network Limited	100.00%	100.00%	India
Maharashtra Transmission Communication Infrastructure Limited	70.49%	61.86%	India
Sterlite Telesystems Limited	100.00%	100.00%	India
Sterlite Innovative Solutions Limited	100.00%	NA	India
Sterlite Tech Connectivity Solutions Limited	100.00%	NA	India
Sterlite Global Ventures (Mauritius) Limited	100.00%	100.00%	Mauritius
Jiangsu Sterlite and Tongguang Fiber Co. Limited	75.00%	75.00%	China
Sterlite (Shanghai) Trading Co. Limited	100.00%	100.00%	China
Sterlite Technologies S.p.A	100.00%	NA	Italy
Metallurgica Bresciana S.p.A.	100.00%	NA	Italy
Elitecore Technologies (Mauritius) Limited	100.00%	100.00%	Mauritius
Elitecore Technologies SDN. BHD	100.00%	100.00%	Malaysia
Sterlite Technologies Europe Ventures Limited*	-	100.00%	Cyprus
Sterlite Technologies UK Ventures Limited	100.00%	100.00%	United Kingdom
Sterlite Tech Holding Inc.	100.00%	100.00%	USA
Sterlite Technologies Inc.	100.00%	100.00%	USA
List of Associate			
MB Maanshan Special Cable Limited**	40.00%	NA	China
List of joint venture			
Sterlite Conduspar Industries Ltda	58.05%	58.05%	Brazil

* During the year, Sterlite Technologies Europe Ventures Limited has been liquidated with effect from May 16, 2018.
** Associate company is not considered for consolidation as the operations of the associate company is insignificant for the Group.

Joint Venture with Metis Eduventures Private Limited is not considered for consolidation as the same is accounted as per Ind AS 109 (Refer note 2s(ii))

Note 38: Leases

Operating lease

Group as lessee:

The Group has taken office buildings and premises on operating lease. The lease term is for periods of three to nine years and renewable at the option of the Group.

Future minimum lease payments over non cancellable period of operating leases are as follows :

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Lease payments recognised in the statement of profit and loss (refer note 31)	27.20	23.04
The future minimum lease payments payable over the next one year	2.85	13.86
The future minimum lease payments payable later than one year but not later than five years	3.03	1.56

Group as lessor:

The Group has given land and office building on operating lease. The lease term is for non cancellable period of three years and renewable at the option of the Lessee.

Future minimum lease receipts over non cancellable period of operating lease are as follows :

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Lease income recognised in the statement of profit and loss for the year	2.01	2.68
The future minimum lease payments receivable over the next one year	1.32	1.98
The future minimum lease payments receivable later than one year but not later than five year	-	2.14

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Note 39: Capital and Other Commitments

a] Estimated amount of contracts remaining to be executed on capital account and not recognized for (net of advances) are ₹ 215.88 crores (31 March 2018: ₹ 992.10 crores)

b] The Group has imported certain machinery under the Export Promotion Capital Goods (EPCG) scheme and accordingly has export obligation as per details below :

(₹ in crores)

Year of Issue	Year upto Export obligation to be fulfilled	31 March 2019	31 March 2018
2017-18	2023-24	736.12	1,011.75
2018-19	2024-25	269.48	-

In this respect, the Group has given bonds of ₹ 984.31 crores (31 March 2018: ₹ 684.66 crores) to the Commissioner of Customs. The Group expects to fulfil the export obligation within prescribed time.

c] For commitments relating to lease arrangements please refer note 38.

d] The Group has entered into agreements with the lenders of subsidiary Maharashtra Transmission Communication Infrastructure Limited wherein it has committed to hold directly or indirectly at all times at least 51% of equity share capital and not to sell, transfer, assign, pledge or create any security interest except pledge of shares to the respective lenders as covered in respective agreements with lenders.

Note 40: Contingent Liabilities

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
1. Disputed liabilities		
a) Sales tax	1.16	0.67
b) Excise duty [Including excise duty case in Supreme Court, refer note 22 & 44]	238.28	239.73
c) Customs duty	75.72	75.67
d) Service tax	3.10	3.10
e) Income tax	26.02	29.96
f) Claims lodged by a bank against the Group (*)	18.87	18.87
g) Claims against the Group not acknowledged as debt	1.11	1.11
2. Corporate guarantee to the income tax department on behalf of group companies.	114.00	114.00

The Group has not provided for disputed liabilities disclosed above arising from disallowances made in assessments which are pending with different appellate authorities for its decision. The Group is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No liability has been accrued in the financial statements for the demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position. In respect of the claims against the Group not acknowledged as debts as above, the management does not expect these claims to succeed. It is not practicable to indicate the uncertainties which may affect the future outcome and estimate the financial effect of the above liabilities.

* In an earlier year, one of the Bankers of the Group had wrongly paid an amount of ₹ 18.87 crores under the letter of credit facility. The letter of credit towards import consignment was not accepted by the Group, owing to discrepancies in the documents. Thereafter, the bank filed claim against the Group in the Debt Recovery Tribunal (DRT). Against the DRT Order dated 28 October 2010, the parties had filed cross appeals before the Debt Recovery Appellate Tribunal. The Debt Recovery Appellate Tribunal vide its Order dated 28 January 2015 has allowed the appeal filed by the Group and has dismissed the appeal filed by the bank. The bank has challenged the said order in WRIT petition before the Bombay High Court. The management doesn't expect the claim to succeed and accordingly no provision for the contingent liability has been recognised in the financial statements.

Note 41: Details of Dues to Micro and Small Enterprises as Defined Under MSMED Act, 2006

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
(i) 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*	92.44	15.14
Interest due on above	0.19	0.10
(ii) 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.	-	-
(iii) The amount of interest due and payable for the year 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.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.19	0.10
(v) (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	-	-

* includes amount of ₹ 91.70 crores outstanding, but not overdue to micro, small and medium enterprises as on 31 March 2019.

Interest payable as per section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 is ₹ 0.19 crore (31 March 2018: ₹ 0.10 crore) and same is not 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 located in India / informations available with the Group regarding their status under the Micro, Small and Medium Enterprises development Act 2006.

Note 42: Research and Development Expenditure

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Capital expenditure		
- Plants and machinery - capitalized during the year	12.36	4.23
- Plants and machinery - purchased during the year but pending for capitalization	3.26	2.92
- Software - capitalized during the year	0.58	0.25
	16.20	**7.40**
Revenue expenditure		
- Salaries, wages and bonus	22.26	16.07
- Raw materials consumed	0.47	1.16
- General expenses	12.25	11.10
Total	**34.98**	**28.33**

The Group has three Research and Development Centres. Centre wise breakup of expenditure is as follows :

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Sterlite Centre of Research-Aurangabad		
- Capital Expenditure	2.70	1.51
- Revenue Expenditure	17.38	15.36
	20.08	**16.87**
Sterlite Tech Smart Network Centre-Gurgaon		
- Capital Expenditure	10.56	2.72
- Revenue Expenditure	5.56	4.47
	16.12	**7.19**
Sterlite Technologies - Ahmedabad		
- Capital Expenditure	2.94	3.17
- Revenue Expenditure	12.04	8.50

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	14.98	**11.67**

Note 43: Disclosures Pursuant To Indian Accounting Standard (Ind As) 11 Construction Contracts

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Amount of contract revenue recognised during the year	-	493.22
The aggregate amount of costs incurred and recognised profits (less recognised losses) for all contracts in progress upto the reporting date	-	1,203.92
Amount of customer advances outstanding for contracts in progress upto the reporting date	-	35.53
Retention amount due from customers for contracts in progress upto the reporting date	-	55.54
Gross amount due from customers for construction contracts	-	148.98

Note 44: Excise /Customs Matter Pending with Honorable Supreme Court

The Company had in an earlier year received an order of CESTAT upholding the demand of ₹ 188 crores (including penalties and excluding interest) (31 March 2018: ₹ 188 crores) in the pending excise/custom matters on various grounds. The Company's appeal with the Honourable High Court of Mumbai was rejected on the grounds of jurisdiction. The Company preferred an appeal with the Honourable Supreme Court of India against the order of CESTAT which has been admitted. The Company has re-evaluated the case on admission of appeal by the Honourable Supreme Court. Based on their appraisal of the matter, the legal advisors/consultants are of the view that under most likely event, the provision of ₹ 4.50 crores (31 March 2018: ₹ 4.50 crores) made by the Company against the above demand is adequate. The management is confident of a favourable order and hence no further provision is considered against the said demand.

Note 45: Corporate Social Responsibility

The Group has spent an amount of ₹5.37 crores (31 March 2018: ₹ 3.64 crores) during the year as required under section 135 of the Companies Act, 2013 in the areas of education, healthcare, woman empowerment and environment. The amount was spent by way of contribution to Sterlite Tech Foundation of ₹ 5.22 crores, in which directors/senior executives of the Group and their relatives are trustees and to Kerala Chief Minister's Relief Fund ₹ 0.15 crores.

Details of CSR expenditure

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
A. Gross amount required to be spent by the Group	5.37	3.64
B. Amount spent during the year	5.37	3.64
(i) Construction / acquisition of any assets	-	-
(i) On purpose other than (i) above	5.37	3.64

Note 46 Amortisation of Recognised Goodwill on Acquisition

During the year 2015-16, the Group had acquired 100% of the paid up equity share capital of Elitecore Technologies Private Limited ('ETPL'), a global telecom software product Company. ETPL has been merged with the Group with the appointed date of September 29, 2015 under a scheme of amalgamation approved by Honourable Bombay High Court and Gujarat High Court (the "Scheme"). Goodwill (excess of purchase consideration over the aggregate book value of the net assets acquired) is being amortised over a period of five years, as per the Scheme. Ind-AS does not allow amortisation of goodwill, which amounted to ₹ 29.65 crores (31 March 2018: ₹ 29.64 crores) for the year.

Note 47 : Business Combinations

Summary of acquisition

The parent company on 20 July 2018 (the "Acquisition date"), through its wholly owned subsidiary Sterlite Technologies S.p.A, acquired 100% equity of Metallurgica Bresciana S.p.A (Metallurgica), a manufacturer of specialised optical cable, for a purchase consideration of Euro 4.65 crores in cash. This acquisition will enable the group to locally operate in the European market.

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	Fair Value Amount in Euro crores	Fair Value Amount in ₹ crores
Land and buildings	1.30	104.34
Plant and Machinery	0.42	33.31
Intangible Assets: Customer Relationships	0.38	30.34
Investments	0.16	12.90
Inventories	1.62	130.26
Trade receivables	2.26	181.21
Liquid funds	0.09	7.05
Other assets	0.03	2.40
Trade and other payables	(0.74)	(59.17)
Bank loans and borrowings	(1.21)	(97.48)
Deferred tax liabilities	(0.28)	(22.55)
Employee benefit obligations	(0.09)	(7.45)
Accruals and provisions	(0.05)	(4.22)
Net identifiable asset required	**3.87**	**310.95**

Calculation of goodwill	Amount Euro in crores	Amount ₹ in crores
Consideration transferred	4.65	373.22
Less: Net identifiable assets required	(3.87)	(310.95)
Goodwill	**0.78**	**62.27**

The goodwill is attributable to the synergies from combining operations with group and workforce. It will not be deductible for tax purposes. There were no acquisitions in the year ended March 31, 2018.

Acquired receivables

The fair value of acquired trade receivables is ₹ 181.21 crores. The gross contractual amount for trade receivables due is ₹ 184.54 and of which ₹ 3.33 crores is expected to be uncollectible.

Revenue & Profit Contribution :

The financial information of Metallurgica has been consolidated upto its reporting period ended as on December 31, 2018 which is the most recent audited financial information available with the Management.

If the acquisitions had occurred on 1 April 2018, consolidated pro-forma revenue and profit for the year ended 31 March 2019 would have been ₹ 5,287.64 crores and ₹ 599.76 crores respectively. These amounts have been calculated using the subsidiary's results and adjusting them for:

i) Eliminating pre acquisition date sales transactions by the group to Metallurgica amounting to ₹ 10.71 crores and

ii) the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to Property, plant and equipment and intangible assets had applied from 1 April 2018, together with the consequential tax effects. The working of it as per the following:

Particulars	Revenue (₹ in crores)	Profit (₹ in crores)
Total revenue and profit of group excluding Metallurgica	4,918.00	574.41
Revenue and profit of Metallurgica	369.64	25.35
Total	**5,287.64**	**599.76**

Purchase Consideration - cash outflow

Outflow of cash to acquire subsidiaries, net of cash acquired	31 March 2019 (₹ in crores)
Cash consideration	373.22
Less: Balances acquired	
Cash	7.05
Loans and borrowings	(97.48)
Net outflow of cash - Investing activities	**282.79**

Acquisition related costs

Acquisition related costs of ₹ 2.81 crores is included in other expenses in Statement of profit & loss.

Measurement period

The group does not expect any further significant changes till the end of measurement period to the goodwill amount recognised.

Note 48: Financial Risk Management

The Group's principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include Investments, loans, trade and other receivables, cash and short-term deposits and other financial assets that arise directly from its operations. The Group also enters into derivative transactions.

The Group's activities expose it to market risk, credit risk and liquidity risk. The Group's senior management oversees the activities to manage of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes should be undertaken.

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

Management has overall responsibility for the establishment and oversight of the Group's risk management framework. The risks to which Group is exposed and related risk management policies are summarised below:

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk, price risk such as equity price risk and commodity risk. Financial instruments affected by market risk mainly including loans given and borrowings, financial assets and liabilities in foreign currency, quoted investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2019 and 31 March 2018.

The sensitivity analysis have been prepared on the basis that the amount of debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at 31 March 2019 and 31 March 2018.

Interest rate risk

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

The Group is exposed to the interest rate fluctuation in domestic as well as foreign currency borrowing. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2019, after taking into account the effect of interest rate swaps, approximately 75% of the Group's borrowings are at a fixed rate of interest (31 March 2018: 83%).

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Variable rate borrowings	663.17	359.39
Fixed rate borrowings	1,403.95	818.15
Total borrowings	**2,067.12**	**1,177.54**

As at the end of the year, the group had the following variable rate borrowings and interest rate swap contracts outstanding:

	31 March 2019		31 March 2018	
	Balance (₹ In crores)	% of total loans	Balance (₹ In crores)	% of total loans
Variable rate borrowings	663.17	32%	359.39	31%
Interest rate swaps (notional principal amount)	138.34		163.00	
Net exposure to cash flow interest rate risk	524.83		196.39	

The following table demonstrates the sensitivity to a reasonably possible change in the interest rates borrowings at variable interest rate. With all the other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ In crores)

Particulars	Increase/ Decrease in Basis Points	Effect on profit before tax / pre-tax equity
31 March 2019		
Base Rate	+50	2.62
Base Rate	-50	(2.62)
March 31, 2018		
Base Rate	+50	0.98
Base Rate	-50	(0.98)

Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EURO, GBP and Chinese renminbi (RMB). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group has a policy to keep minimum forex exposure on the books that are likely to occur within a maximum 12-month period for hedges of forecasted sales and purchases. As per the risk management policy, foreign exchange forward contracts are taken to hedge its exposure in foreign currency risk. During the years ended 31 March 2019 and 2018, the Group did not have any hedging instruments with terms which were not aligned with those of the hedged items.

When a derivative is entered into for the purpose of hedge, the Group negotiates the terms of those derivatives to match the terms of the underlying exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency

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Out of total foreign currency exposure the Group has hedged significant exposure as at March 31, 2019 and as at March 31, 2018. The Group's foreign currency exposure at the year end is as follows

March 31, 2019

(₹ in crores)

	USD	EUR	GBP	AED
Financial Assets				
Trade receivable	103.91	117.81	36.90	12.14
Bank Balances	10.56	0.56	4.79	-
Derivative Assets				
Foreign exchange forward contracts - Sell foreign currency	30.70	97.19	36.90	12.14
Net Exposure to foreign currency risk (Assets)	**83.77**	**21.18**	**4.79**	**-**

March 31, 2019

(₹ in crores)

	USD	EUR	GBP	AED
Financial Liabilities				
Bank Loan (including deferred payment liabilities)	197.65	94.01	-	-
Payables for purchase of property, plant & equipments	262.04	8.46	-	-
Trade Payables	191.01	13.86	0.05	-
Derivative Liabilities				
Foreign exchange forward contracts - Buy foreign currency	238.01	25.96	0.05	-
Principal Swap	138.34	-	-	-
Net Exposure to foreign currency risk (Liabilities)	**274.35**	**90.37**	**-**	**-**

March 31, 2018

(₹ in crores)

	USD	EUR	GBP	AUD	AED	MYR
Financial Assets						
Trade receivable	133.98	124.85	31.21	0.46	10.90	4.14
Bank Balances	7.56	3.71	3.56	-	-	2.32
Derivative Assets						
Foreign exchange forward contracts - Sell foreign currency	128.78	124.80	31.21	-	10.90	-
Net Exposure to foreign currency risk (Assets)	**12.76**	**3.76**	**3.56**	**0.46**	**-**	**6.46**

March 31, 2018

(₹ in crores)

	USD	EUR	GBP	AUD	AED	MYR
Financial Liabilities						
Bank Loan	297.63	-	-	-	-	-
Trade Payables (including payable for purchase of property, plant & equipments	195.37	74.41	29.81	-	-	-
Derivative Liabilities						
Foreign exchange forward contracts - Buy foreign currency	241.73	54.82	29.81	-	-	-
Principal Swap	162.60	-	-	-	-	-
Net Exposure to foreign currency risk (Liabilities)	**88.67**	**19.59**	**-**	**-**	**-**	**-**

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and GBP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Group's pre-tax equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges. The Group's exposure to foreign currency changes for all other currencies is not material. With all the other variable held constant, the Group's profit before tax is affected through the impact on change of foreign currency rate as follows-

(₹ in crores)

	Change in USD rate	Effect on profit before tax / pre-tax equity	Change in Euro rate	Effect on profit before tax / pre-tax equity	Change in GBP rate	Effect on profit before tax / pre-tax equity
March 31, 2019	+5%	(9.53)/(3.82)	+5%	(3.46)/53.85	+5%	0.24/0.24
	-5%	9.53/3.82	-5%	3.46/(53.85)	-5%	(0.24)/(0.24)
March 31, 2018	+5%	(4.17)/(0.10)	+5%	(0.79)/(2.16)	+5%	0.18/(0.04)
	-5%	4.17/0.10	-5%	0.79/2.16	-5%	(0.18)/0.04

Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of copper cables and therefore require a continuous supply of copper. To meet these requirements the Group enters into contracts to purchase copper. The prices in these purchase contracts are linked to the price on London Metal Exchange.

The Group has risk management strategy to mitigate commodity price risk.

Based on a 1 month forecast of the required copper supply, the Group hedges the purchase price using future commodity purchase contracts. The forecast is deemed to be highly probable.

Commodity price sensitivity

As per the Group's policy for commodity price hedging, all the commodity price exposures as on reporting dates are fully hedged. Thus, there are no open unhedged exposures on the reporting dates.
Further, total exposure related to commodity derivative is not material.

Price risk

"The Group's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors review and approve all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities (other than investments in subsidiaries) at fair value was ₹ 35.30 crores (31 March 2018: ₹ 19.60 crores).

The group invests into highly liquid funds which are subject to price risk changes. These investments are generally for short durations and therefore impact of price change is generally not significant

(b) Credit risk

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

Trade receivables and Contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credit rating and individual credit limits are defined in accordance with credit assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit assurance.
An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The assessment is based on historical information of default risk. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. During the period, the group made write-offs of ₹ 17.33 crores (31 March 2018 : ₹ 10.54 crores) trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off.

The Group's profile for customer contracts and software services include public sector enterprises, state owned companies and private corporates. Accordingly, the Group's customer credit risk is low. The Group's average network integration projects execution cycle ranges from 12 to 36 months based on the nature of contract and scope of services to be provided. General payment terms include mobilisation advance, progress payments with a credit period ranging from 45 to 90 days and certain retention money to be released at the end of the project. In some cases retentions are substituted with bank/corporate guarantees.

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

Details of Expected credit loss for trade receivables and contract assets is as follows:

Particulars	31 March 2019			31 March 2018		
	less than 365 days	more than 365 days	Total	less than 365 days	more than 365 days	Total
Gross carrying amount	2,467.99	20.27	2,488.26	882.42	13.00	895.42
Expected credit loss rate	0.89%	80.00%		1.63%	75.00%	
Expected credit loss provision	21.91	16.22	38.13	14.39	9.75	24.14
Carrying amount of trade receivable (net of provision)	**2,446.08**	**4.05**	**2,450.13**	**868.03**	**3.25**	**871.28**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group'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 Group 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.

Other financial assets that are potentially subject to credit risk consists of inter corporate loans. The Group assesses the recoverability from these financial assets on regular basis. Factors such as business and financial performance of counterparty, their ability to repay, regulatory changes and overall economic conditions are considered to assess future recoverability. The Group charges interest on such loans at arms length rate considering countparty's credit rating. Based on the assessment performed, the Group considers all the outstanding balances of such financial assets to be recoverable as on balance sheet date and no provision for impairment is considered necessary.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31 March 2019 and 31 March 2018 is the carrying amounts of each class of financial assets.

(c) Liquidity risk

Liquidity risk is the risk that the Group 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 Group's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Group requires funds both for short term operational needs as well as for long term investment programs mainly in growth projects. The Group 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 60 - 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 Group's financial liabilities based on contractual undiscounted payments:

(₹ in crores)

Particulars	Payable on demand	Less than 3 months	3 months to 12 months	1 year to 5 years	> 5 years	Total
As at March 31, 2019						
Borrowings	41.92	777.40	312.98	934.82	-	2,067.12
Other financial liabilities	4.24	39.63	29.77	2.71	-	76.35
Trade payables	264.13	778.28	816.52	53.62	0.20	1,912.75
Payables for purchase of Property, plant and equipments	-	162.94	312.10	9.40	-	484.44
Derivatives	-	6.29	3.98	2.77	-	13.04
	310.29	**1,764.54**	**1,475.35**	**1,003.32**	**0.20**	**4,553.70**
As at March 31, 2018						
Borrowings	-	267.09	279.91	630.54	-	1,177.54
Other financial liabilities	2.86	30.48	72.52	1.10	-	106.96
Trade payables	0.15	526.04	130.00	-	-	656.18
Payables for purchase of Property, plant and equipments	-	19.04	37.79	35.53	-	92.36
Derivatives	-	10.67	33.14	28.19	-	72.00
	3.01	**853.31**	**553.36**	**695.36**	**-**	**2,105.04**

Cash flow hedges

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of highly probable forecast transactions/firm commitments for sales and purchases in USD, EUR and GBP. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates.

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions. As a result, no hedge ineffectiveness arose requiring recognition through profit or loss as on 31 March 2019 and 31 March 2018.

The cash flow hedges for such derivative contracts as at 31 March 2019 were assessed to be highly effective and a net unrealised gain of ₹ 122.95 crore, with a deferred tax liability of ₹ 42.96 crores relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2018 were assessed to be highly effective and an unrealised loss of ₹ 47.92 crore, with a deferred tax asset of ₹ 16.74 crores was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2019 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2020.

At 31 March 2019, the Group has currency/interest rate swap agreements in place with a notional amount of USD 2 crores (₹ 138.34 crore) (31 March 2018 : USD 2.5 crores) whereby the Group receives a variable rate of interest of Libor + 2.70% and pays interest at a fixed rate equal to 10.0425% on the notional amount with USD-INR rate fixed at INR 66.3850 per USD. The swaps are being used to hedge the exposure to changes in the foreign exchange rates and interest rates. The Group also has multiple interest rate swap agreements in place with a total notional amount of USD 2.45 crores whereby the Group pays interest at fixed rate of 2.69%-3% and receives interest at a variable rate of 6M LIBOR.

The cash flow hedges for such derivative contracts as at 31 March 2019 were assessed to be highly effective and a net unrealised gain of ₹ 9.87 crore, with a deferred tax liability of ₹ 3.45 crores relating to the hedging instruments, is included in OCI. Comparatively, the cash flow hedges as at 31 March 2018 were assessed to be highly effective and an unrealised loss of ₹ 2.15 crore, with a deferred tax asset of ₹ 0.75 crores was included in OCI in respect of these contracts. The amounts retained in OCI at 31 March 2019 are expected to mature and affect the statement of profit and loss during the year ended 31 March 2020.

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Impact of hedging activities
(a) Disclosure of effects of hedge accounting on financial position:

31 March 2019

(₹ in crores)

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets / (Liabilities)					
Cash flow hedge							
Foreign exchange risk							
(i) Foreign exchange forward contracts- Assets	1,233.38	80.97	April 2019 - December 2023	1:1	EUR:INR- 90.38 GBP:INR- 101.09 USD:INR- 70.29	80.92	(80.92)
(ii) Foreign exchange forward contracts- Liabilities	(39.36)	(0.65)	April 2019- January 2021	1:1	EUR:INR- 79.04 USD:INR- 71.033	41.98	(41.98)
(iii) Foreign Currency Loan	(138.34)	0.18	3-Jan-23	1:1	USD:INR 66.39	12.22	(12.22)
Interest rate risk							
Interest rate swap	(307.72)	(1.04)	3-Jan-23	1:1	N/A	(2.35)	2.35

31 March 2018

(₹ in crores)

Types of hedge and risks	Nominal Value	Carrying Amount of Hedging Instruments	Maturity date	Hedge ratio*	Weighted average Strike Price/Rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
		Assets / (Liabilities)					
Cash flow hedge							
Foreign exchange risk							
(i) Foreign exchange forward contracts- Assets	112.86	0.05	April 2018 - March 2022	1:1	AED:INR- 17.82 AUD:INR- 50.05 EUR:INR- 83.98 GBP:INR- 90.52 USD:INR- 66.92	(1.47)	1.47
(ii) Foreign exchange forward contracts- Liabilities	(1,388.57)	(42.63)	April 2018- January 2021	1:1	EUR:INR- 83.91 GBP:INR- 101.28 USD:INR- 66.75	(44.30)	44.30
(iii) Foreign Currency Loan	(165.96)	(12.04)	3-Jan-23	1:1	USD:INR 66.39	(1.71)	1.71
Interest rate risk							
Interest rate swap	(165.96)	1.31	3-Jan-23	1:1	N/A	(0.44)	0.44

*The foreign exchange forward contracts are denominated in the same currency as the highly probable future sales therefore the hedge ratio is 1:1.

The notional amount of interest rate swap is equal to the portion of variable rate loans that is being hedged and therefore the hedge ratio for interest rate swaps is also 1:1.

The entire amount of foreign currency loan (USD) is designated as cash flow hedge and hence the hedge ratio is 1:1.

(b) Disclosure of effects of hedge accounting on financial performance

31 March 2019

(₹ in crores)

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	135.12	-	(21.66)	Revenue and COGS
Interest Risk	(2.35)	-	-	N/A

31 March 2018

(₹ in crores)

Type of hedge	Change in the Value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge				
Foreign exchange risk	(47.48)	-	1.69	Other expenses
Interest Risk	(0.44)	-	-	N/A

The Group's hedging policy requires for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk.
In hedges of foreign currency forecast sale may arise if:
- the critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or
- differences arise between the credit risk inherent within the hedged item and the hedging instrument.

Refer note 18 for the details related to movement in cash flow hedging reserve.

Note 49: Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the shareholders of the Group. The primary objective of the Group'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 Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and/or the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio optimum.
The Group includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents excluding discontinued operations.

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Particulars	As at March 31, 2019 (₹ in crores)	As at March 31, 2018 (₹ in crores)
Interest Bearing Loans and borrowings	2,067.12	1,177.54
Trade Payables	1,912.75	656.18
Other Financial Liabilities	573.83	271.32
Less: Cash and Cash equivalents & current investment*	(313.46)	(274.56)
Net debt	**4,240.24**	**1,830.48**
Equity share capital	80.51	80.20
Other equity	1,638.79	1,095.12
Total capital	**1,719.30**	**1,175.32**
Capital and net debt	**5,959.54**	**3,005.80**
Gearing ratio	**71.15%**	**60.90%**

*includes other bank balance of ₹ 70 crores with respect to fixed deposit. These fixed deposits can be encashed by the Company at any time without any major penalties.

In order to achieve this overall objective, the Group'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. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

Dividend Distribution made and Proposed

As a part of Group's capital management policy, dividend distribution is also considered as key element and management ensures that dividend distribution is in accordance with defined policy. Below mentioned are details of dividend distributed and proposed during the year.

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Sterlite Technologies Limited		
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2018: ₹ 2 per share (31 March 2017: ₹ 0.75 per share)	80.30	29.97
Dividend Distribution Tax on final dividend	16.50	6.10
Jiangsu Sterlite and Tongguang Optical Fiber Co. Limited		
Dividend declared and paid to non controlling interests	17.02	-
	113.82	**36.07**
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on 31 March 2019: ₹ 3.5 per share (31 March 2018: ₹ 2 per share)	140.86	80.20
Dividend Distribution Tax on proposed dividend	28.68	16.33
	169.54	**96.53**

Proposed dividend on equity shares is subject to approval at the ensuing annual general meeting and is not recognised as a liability (including DDT thereon) as at year end.

During the year ended 31 March 2019 and 31 March 2018, the Group has paid dividend to its shareholders. This has resulted in payment of Dividend Distribution Tax (DDT) to the taxation authorities. The Group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

Note 50: Fair Values

a) Financial Instruments by Category

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values as of March 31, 2019:

(₹ in crores)

	31 March 2019			31 March 2018		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Investments						
Equity instruments	0.26	-	-	2.00	-	-
Debentures	22.60	-	-	17.60	-	-
Mutual funds	100.17	-	-	155.00	-	-
Trade receivables	-	-	1,356.62	-	-	871.28
Loans	-	-	42.69	-	-	35.01
Cash and cash equivalents	-	-	233.68	-	-	138.48
Derivative financial assets	7.91	83.96	-	2.21	1.36	-
Contract assets	-	-	1,093.51	-	-	-
Security deposits	-	-	15.79	-	-	10.77
Other financials assets	-	-	34.06	-	-	62.76
Total financial assets	**130.94**	**83.96**	**2,776.35**	**176.81**	**1.36**	**1,118.30**
Financial liabilities						
Borrowings	-	-	2,067.12	-	-	1,177.54
Trade Payables	-	-	1,912.75	-	-	656.18
Derivative financial liabilities	9.10	3.94	-	17.03	54.97	-
Payables for purchase of Property, plant and equipment's	-	-	484.43	-	-	92.36
Deposits from vendors	-	-	3.12	-	-	1.56
Other Financial Liabilities	-	-	73.24	-	-	105.40
Total financial liabilities	**9.10**	**3.94**	**4,540.66**	**17.03**	**54.97**	**2,033.04**

b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

		Fair value measurement using		
	Amount	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets and liabilities measured at fair value - recurring fair value measurements				
Investments in Equity Shares of joint venture				
As at March 31, 2019	0.26	-	-	0.26
As at March 31, 2018	2.00	-	-	2.00
Investments in Debentures				
As at March 31, 2019	22.60	-	-	22.60
As at March 31, 2018	17.60	-	-	17.60
Investments in Mutual Funds				
As at March 31, 2019	100.17	100.17	-	-
As at March 31, 2018	155.00	155.00	-	-
Derivative financial assets - Foreign Exchange Forward Contracts				
As at March 31, 2019	7.91	-	7.91	-
As at March 31, 2018	2.26	-	2.26	-

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	Amount	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Derivative financial assets - Currency/Interest Rate Swaps				
As at March 31, 2019	83.96	-	83.96	-
As at March 31, 2018	1.31	-	1.31	-
Derivative financial Liabilities - Foreign Exchange Forward Contracts				
As at March 31, 2019	9.10	-	9.10	-
As at March 31, 2018	59.96	-	59.96	-
Derivative financial Liabilities - Currency/Interest Rate Swaps				
As at March 31, 2019	3.94	-	3.94	-
As at March 31, 2018	12.04	-	12.04	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There have been no transfers among Level 1, Level 2 and Level 3.

c) Valuation technique used to determine fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the quoted mutual funds are based on quoted price at the reporting date.

The fair values of the unquoted equity shares and debentures have been estimated using a DCF model. The valuation requires management to make certain assumptions about the model inputs, including forecast of cash flows, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.

The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Foreign exchange forward contracts, interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing model, using present value calculations. The models incorporate various inputs including the credit quality counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spread between the respective currencies, interest rate curves etc. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

d) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended March 31, 2019 and March 31, 2018:

₹ in crores

Particulars	Investments in Equity Shares of JV	Investments in Debentures
As at March 31,2018	**2.00**	**17.60**
Acquisitions	-	5.00
Changes in Fair value	(1.74)	-
As at March 31,2019	**0.26**	**22.60**

e) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Particulars	Valuation technique	Significant unobservable inputs	Range	Sensitivity of the input to fair value
FVTPL assets in unquoted equity shares and debentures	DCF method	Terminal Growth Rate	March 31, 2019 : 5% March 31, 2018 : 5%	1% (March 31, 2018 : 1%) increase/ (decrease) in the terminal growth rate would result in increase / (decrease) in fair value by ₹ 1.34/ (1.17) crores (31 March 2018 : ₹ 1.51/ (0.59) crore)
		WACC (pre-tax)	March 31, 2019 : 20% March 31, 2018 : 20%	1% (March 31, 2018 : 1%) increase/ (decrease) in the WACC would result in decrease/(increase) in fair value by ₹ 1.71/ (1.96) crores (31 March 2018 : ₹ 1.03/ (2.00))
		Long-term operating margin	March 31, 2019 : 20% March 31, 2018 : 3.1% - 14.2%	1% (March 31, 2018 : 1%) increase/ (decrease) in the margin would result in increase/(decrease) in fair value by ₹ 0.73/ (0.73) crores (31 March 2018: ₹ 1.24/ (0.47))

*There were no significant inter-relationships between unobservable inputs that materially affect fair values.

f) Valuation processes

The finance department of the Group includes a team that oversees the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

External valuers are involved for valuation of significant assets, such as unquoted financials assets. Involvement of external valuers is decided by the valuation team. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Valuation team decides, after discussions with the company's external valuers, which valuation techniques and inputs to use for each case.

The main level 3 inputs for used by the Group are derived and evaluated as follows:

Discount rates are determined using a capital asset pricing model or based on weighted average cost of capital of counterparty, to calculate a post-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.

Risk adjustments specific to the counterparties (including assumptions about credit default rates) are derived from risk assessment (based on review of financial condition, economic factors) by management.

Earnings growth factor for unlisted equity securities are estimated based on market information for similar types of companies.

Changes in level 3 fair values are analysed at the end of each reporting period during the valuation discussion between the valuation team and external valuer. As part of this discussion the team presents a report that explains the reason for the fair value movements.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2019 and 31 March 2018 are as shown above.

g) Financial assets and liabilities measured at amortised cost

(₹ in crores)

Particulars	Carrying value	Fair value
Financial liabilities		
Debentures @ 8.45%	150.00	150.36
Debentures @ 8.70%	150.00	150.09

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

The management assessed that cash and cash equivalents, trade receivables, trade payables, other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The management has further assessed that borrowings availed and loans given approximate their carrying amounts largely due to the interest rates being variable or in case of fixed rate borrowings/loans, movements in interest rates from the recognition of such financial instrument till period end not being material.

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Note 51: Related Party Transactions

(A) Name of related party and nature of its relationship:

(a) Related parties where control exists

(i) Holding company

Twin Star Overseas Limited, Mauritius (Immediate holding company
Volcan Investments Limited, Bahamas (Ultimate holding company)

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

(i) Fellow Subsidiaries

Cairn India Holdings Limited
Sterlite Power Transmission Limited
Twin Star Technologies Limited
Sterlite Grid 1 Limited
Twin Star Display Technologies Limited
Vedanta Limited
Fujairah Gold FZE
Avan Strate Inc.

(ii) Joint ventures

Sterlite Conduspar Industrial Ltda
Metis Eduventures Private Limited
M.B Maanshaan Special Cables Co. Ltd

(iii) Key management personnel (KMP)

Mr. Pravin Agarwal (Vice Chairman & Whole-time Director)
Dr. Anand Agarwal (CEO & Whole-time Director)
Mr. A. R. Narayanaswamy (Non executive & Independent Director)
Mr. Arun Todarwal (Non executive & Independent Director)
Mr. C. V. Krishnan (Non executive & Independent Director) (upto 16 October 2017)
Ms. Avaantika Kakkar (Non executive & Independent Director) (upto 22 May 2018)
Mr. Sandip Das (Non executive & Independent Director)
Mr Pratik Agarwal (Non executive Director)
Mr. Kumud Srinivasan (Non executive & Independent Director) (from 22 May 2018)

(iv) Relative of key management personnel

Mr. Ankit Agarwal
Mrs. Jyoti Agarwal
Mrs. Ruchira Agarwal
Mrs. Sonakshi Agarwal
Mr. Navin Agarwal

(v) Entities where key management personnel / relatives of key management personnel have significant influence (EKMP)

Khaitan & Co. LLP
Universal Floritech LLP
Sterlite Tech Foundation

(c) Additional related parties as per Companies Act, 2013 with whom transactions have taken place during the year

(i) Key management personnel (KMP)

Mr. Anupam Jindal (Chief Financial Officer)
Mr. Amit Deshpande (Company Secretary)

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

S. No.	Particulars	Joint Ventures		Holding Company		KMP		Relatives of KMP		Fellow Subsidiaries/EKMP	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
1	Remuneration	-	-	-	-	31.06	27.26	3.60	3.04	-	-
2	Sitting Fees	-	-	-	-	0.29	0.12		-	-	-
3	Commission	-	-	-	-	0.75	0.63		-	-	-
4	Consultancy	-	-	-	-	0.45	0.40	-	-	-	-
5	Dividend (received) / paid	-	-	41.88	15.71	0.49	0.22	0.24	0.09	0.95	0.36
6	Investment during the year	5.00	9.60	-	-	-	-	-	-	-	-
7	Loans and advances given	0.11	0.35	-	-	-	-	-	-	6.28	40.85
8	Repayment of loans	-	-	-	-	-	1.37	-	-	3.27	17.30
9	Loan taken	-	-	-	-	-	-	-	-	7.50	-
10	Repayment of advances	-	-	-	-	-	-	-	-	-	0.17
11	Interest charged on loans	-	-	-	-	-	0.12	-	-	2.81	1.47
12	Interest payable on loans	-	-	-	-	-	-	-	-	0.70	-
13	Management fees received	-	-	-	-	-	-	-	-	13.24	1.99
14	Management fees paid	-	-	-	-	-	-	-	-	0.52	3.10
15	Purchase of fixed asset	-	-	-	-	-	-	-	-	-	26.76
16	Purchase of goods & services	-	-	-	-	-	-	-	-	7.31	74.86
17	Sale of goods & services	22.35	12.21	-	-	-	-	-	-	18.86	28.91
18	Contributions made for CSR	-	-	-	-	-	-	-	-	5.22	3.64
19	Rental income	-	-	-	-	-	-	-	-	0.06	0.08
20	Professional fees paid	-	-	-	-	-	-	-	-	-	0.27
	Outstanding Balances										
1	Loans/advance receivables##	1.92	0.37	-	-	-	-	-	-	40.09	34.19
2	Loans/advance payables##	-	-	-	-	-	-	-	-	8.28	-
3	Trade receivables	6.53	20.75	-	-	-	-	-	-	18.81	-
4	Trade payables	-	-	-	-	-	-	-	-	1.25	30.41
5	Investment in equity shares,preference shares & debentures	35.30	19.60	-	-	-	-	-	-	-	-
6	Corporate and bank guarantees given and outstanding	-	-	-	-	-	-	-	-	114.00	114.00

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

₹ in crores

S. No.	Particulars	Relationship	31 March 2019	31 March 2018
1	**Remuneration**			
	Mr. Pravin Agarwal	KMP	14.34	13.72
	Dr. Anand Agarwal	KMP	12.40	10.04
	Mr. Ankit Agarwal	Relative of KMP	3.60	3.04
2	**Sitting Fees**			
	Mr. Arun Todarwal	KMP	0.09	0.05
	Mr. A. R. Narayanaswamy	KMP	0.07	0.04
	Mr. Sandip Das	KMP	0.07	0.01
	Mr. Kumud Srinivasan	KMP	0.03	-
3	**Commission**			
	Mr. Arun Todarwal	KMP	0.15	0.13
	Mr. A. R. Narayanaswamy	KMP	0.15	0.13
	Ms. Avaantika Kakkar	KMP	0.15	0.13
	Mr. Pratik Agarwal	KMP	0.15	0.13
4	**Consultancy**			
	Mr. Sandip Das	KMP	0.45	0.4
5	**Dividend (received)/paid**			
	Twin Star Overseas Limited	Holding Company	41.88	15.71
6	**Investment during the year**			
	Metis Eduventures Private Limited*	Joint Venture	5.00	9.60
7.	**Loans and advances given**			
	Twinstar Display Technologies Limited.	Fellow Subsidiary	3.44	22.14
	Sterlite Power Transmission Limited.	Fellow Subsidiary	2.52	8.64
8.	**Repayment of loans**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	2.78	7.80
9.	**Loan taken**			
	Sterlite Power Transmission Limited.	Fellow Subsidiary	7.5	-
10.	**Repayment of advances**			
	Sterlite Grid 1 ltd	Fellow Subsidiary	-	0.17
11.	**Interest charged on loans**			
	Twin Star Display Technologies Limited	Fellow Subsidiary	2.11	1.47
12.	**Interest payable on loans**			
	Sterlte Power Transmission Limited	Fellow Subsidiary	0.70	-
13.	**Management fees received**			
	Twin Star Display Technologies Limited	Fellow Subsidiary	-	1.99
	Cairn India Holdings Ltd	Fellow Subsidiary	13.24	-
14.	**Management fees paid**			
	Vedanta Limited	Fellow Subsidiary	0.52	-
15.	**Purchase of fixed asset**			
	Sterlite Power Transmission Limited	Fellow Subsidiary	-	26.76
16.	**Purchase of goods & services**			
	Vedanta Limited	Fellow Subsidiary	0.79	1.87
	Fujairah Gold FZE	Fellow Subsidiary	4.52	70.62
	Sterlite Power Transmission Limited	Fellow Subsidiary	1.91	2.29
17.	**Sale of goods & services**			
	Sterlite Conduspar Industrial Ltda	Joint Venture	14.18	12.21
	M.B Maanshaan Special Cables Co. Ltd	Joint Venture	8.17	-
	Sterlite Power Transmission Limited	Fellow Subsidiary	18.86	28.91
18.	**Contributions made for CSR**			
	Sterlite Tech Foundation	EKMP	5.22	3.64
19.	**Rental income**			
	Universal Floritech LLP	EKMP	0.06	0.08
20	**Payment of professional fees**			
	Khaitan & Co. LLP	EKMP	-	0.27

(D) Compensation of Key management personnel of the company

	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Short term employee benefits	26.44	25.78
Long term & Post employment benefits	1.40	0.38
Share based payment transaction*	6.82	4.14
Total compensation paid to key management personnel	**34.66**	**30.30**

#Includes interest & expenses incurred and recoverable.

* Share-based payments includes the perquisite value of stock incentives exercised during the year, determined in accordance with the provisions of the Income-tax Act, 1961.

Note 52: Interests In Joint Venture and Associates

Set out below are the details of Joint venture of the Group which in the opinion of management are material to the Group. The Group has a 58.05% (31 March 2018: 58.05%) interest in Sterlite Conduspar Industrial Ltda, a joint venture engaged in the manufacturing of optical fibre cables of some of the Group's main product lines in Brazil. The Group's interest in Sterlite Conduspar Industrial Ltda ('Joint Venture') is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the joint venture, based on its financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Current assets	30.96	28.08
Non-current assets	10.58	15.94
Total Asset (A)	**41.54**	**44.02**
Current liabilities	16.51	45.50
Non-current liabilities	31.56	1.87
Total Liabilities (B)	**48.07**	**47.37**
Net Assets (A+B)	**(6.53)**	**(3.35)**
Proportion of the Group's ownership	58.05%	58.05%
Carrying amount of the investment	-	-

Summarised statement of profit and loss of the Joint Venture:

	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
Revenue	68.81	43.98
Other Income	0.18	0.28
Cost of raw material and components consumed	51.06	33.30
Depreciation & amortization	1.16	1.23
Finance cost	1.55	0.60
Employee benefit	5.75	4.06
Other expense	13.54	10.29
Loss before tax	**(4.07)**	**(5.22)**
Income tax expense	-	-
Loss for the year	**(4.07)**	**(5.22)**
Other comprehensive income	-	-
Total comprehensive income for the year	**(4.07)**	**(5.22)**
Group's share of loss for the year	(2.37)	(3.03)
Unrecognised share of loss of joint venture	**(2.37)**	**(2.11)**

The group had no contingent liabilities or capital commitments relating to its interest in joint venture as at 31 March 2019 and 31 March 2018. \

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Note 53: Disclosure for Non-Controlling Interests

This information is based on amounts before inter-company eliminations.

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name of the Company	Principal activity	Effective ownership as on 31 March 2019	Effective ownership as on 31 March 2018	Country of incorporation
Maharashtra Transmission Communication Infrastructure Limited (MTCIL)	Power Transmission	29.51%	38.14%	India
Jiangsu Sterlite and Tongguang Fiber Co. Limited (JSTFCL)	Manufacturing of Optical Fibre	25.00%	25.00%	China

Summarised statement of profit and loss for the year ended 31 March 2019:

	31 March 2019		31 March 2018	
	MTCIL (₹ in crores)	JSTFCL (₹ in crores)	MTCIL (₹ in crores)	JSTFCL (₹ in crores)
Revenue	4.52	461.32	1.70	372.16
Profit for the year	(7.59)	69.11	(4.38)	125.88
Total comprehensive income	**(7.59)**	**69.11**	**(4.38)**	**125.88**
Attributable to non-controlling interests	(2.24)	17.28	(1.67)	31.47
Dividends paid to non-controlling interests	-	(17.15)	-	(2.02)

Summarised balance sheet as at 31 March 2019 and 31 March 2018:

	31 March 2019		31 March 2018	
	MTCIL (₹ in crores)	JSTFCL (₹ in crores)	MTCIL (₹ in crores)	JSTFCL (₹ in crores)
Non current assets	106.08	417.55	109.25	259.05
Current assets	7.74	266.67	7.16	106.90
Total Asset (A)	**113.82**	**684.22**	**116.41**	**365.95**
Non current liability	(20.02)	(17.61)	(32.64)	(14.31)
Current liability	(74.80)	(294.79)	(64.37)	(42.20)
Total Liability (B)	**(94.82)**	**(312.40)**	**(97.01)**	**(56.51)**
Net Assets (A+B)	**19.00**	**371.83**	**19.40**	**309.44**
Accumulated NCI	**2.68**	**92.72**	**4.92**	**77.04**

Summarised cash flows

	31 March 2019		31 March 2018	
	MTCIL (₹ in crores)	JSTFCL (₹ in crores)	MTCIL (₹ in crores)	JSTFCL (₹ in crores)
Net cash inflow from operating activities	18.59	201.52	8.29	111.34
Net cash inflow from investing activities	(10.89)	(162.16)	(19.10)	(115.25)
Net cash inflow from financing activities	(3.18)	(7.61)	11.72	(2.93)
Net increase /(decrease) in cash and cash equivalents	**4.52**	**31.75**	**0.91**	**(6.84)**

Note 54: Statutory Group Information

Name of the Entity in the group	Net Assets, i.e total assets minus total liabilities		Share in profit and loss		Share in total comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	INR Crores	As % of consolidated profit and loss	INR Crores	As % of consolidated other comprehensive income	INR Crores	As % of total comprehensive income	INR Crores
Parent								
Sterlite Technologies Limited								
Balance as at 31 March 2019	60.05%	1,089.77	79.39%	458.72	101.04%	80.40	82.01%	539.12
Balance as at 31 March 2018	70.05%	880.75	69.48%	252.99	169.62%	(15.38)	66.92%	237.61
Subsidiaries								
Indian								
1. Speedon Network limited								
Balance as at 31 March 2019	1.55%	28.06	0.07%	0.38	-	-	0.06%	0.38
Balance as at 31 March 2018	2.33%	29.26	-0.99%	(3.59)	-	-	-1.01%	(3.59)
2. Maharashtra Transmission Communication Infrastructure Limited								
Balance as at 31 March 2019	-0.51%	(9.28)	-0.93%	(5.35)	-	-	-0.81%	(5.35)
Balance as at 31 March 2018	0.84%	10.51	-0.74%	(2.71)	-	-	-0.76%	(2.71)
3. Sterlite Telesystems Limited								
Balance as at 31 March 2019	0.00%	0.01	-0.01%	(0.04)	-	-	-0.01%	(0.04)
Balance as at 31 March 2018	0.00%	0.02	-0.01%	(0.03)	-	-	-0.01%	(0.03)
4. Sterlite Tech Connectivity Solutions Limited								
Balance as at 31 March 2019	0.00%	0.04	0.00%	(0.01)	-	-	0.00%	(0.01)
Balance as at 31 March 2018	-	-	-	-	-	-	-	-
5. Sterlite Innovative Solutions Limited								
Balance as at 31 March 2019	0.00%	0.03	0.00%	(0.02)	-	-	0.00%	(0.02)
Balance as at 31 March 2018	-	-	-	-	-	-	-	-
Foreign								
1. Sterlite Global Ventures (Mauritius) Limited								
Balance as at 31 March 2019	0.24%	4.41	8.93%	51.61	-	-	7.85%	51.61
Balance as at 31 March 2018	0.31%	3.92	-0.01%	(0.04)	-	-	-0.01%	(0.04)
2. Jiangsu Sterlite and Tongguang Fibre Co. Ltd.								
Balance as at 31 March 2019	18.89%	342.79	8.97%	51.83	-	-	7.89%	51.83
Balance as at 31 March 2018	19.19%	241.26	25.93%	94.41	-	-	26.59%	94.41
3. Sterlite (Shanghai) Trading Company Limited								
Balance as at 31 March 2019	-0.06%	(1.01)	0.00%	(0.02)	-	-	0.00%	(0.02)

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Name of the Entity in the group	Net Assets, i.e total assets minus total liabilities		Share in profit and loss		Share in total comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	INR Crores	As % of consolidated profit and loss	INR Crores	As % of consolidated other comprehensive income	INR Crores	As % of total comprehensive income	INR Crores
Balance as at 31 March 2018	-0.04%	(0.48)	-0.04%	(0.14)	-	-	-0.04%	(0.14)
4. Sterlite Technologies S.p.A (Italy)								
Balance as at 31 March 2019	2.21%	40.12	-1.33%	(7.66)	-	-	-1.17%	(7.66)
Balance as at 31 March 2018	-	-	-	-	-	-	-	-
5. Metallurgica Bresciana S.p.A (Italy)								
Balance as at 31 March 2019	14.50%	263.22	1.90%	10.97	-	-	1.67%	10.97
Balance as at 31 March 2018	-	-	-	-	-	-	-	-
6. Sterlite Technologies UK Ventures Limited								
Balance as at 31 March 2019	0.10%	1.90	-0.06%	(0.34)	-	-	-0.05%	(0.34)
Balance as at 31 March 2018	0.22%	2.83	-0.14%	(0.52)	-	-	-0.15%	(0.52)
7. Sterlite Technologies Europe Ventures Limited								
Balance as at 31 March 2019	0.00%	(0.07)	-0.01%	(0.04)	-	-	-0.01%	(0.04)
Balance as at 31 March 2018	0.01%	0.08	0.00%	0.01	-	-	0.00%	0.01
8. Elitecore Technologies (Mauritius) Limited								
Balance as at 31 March 2019	0.00%	0.06	0.01%	0.06	-	-	0.01%	0.06
Balance as at 31 March 2018	0.01%	0.13	-0.02%	(0.06)	-	-	-0.02%	(0.06)
9. Elitecore Technologies Sdn Bhd.								
Balance as at 31 March 2019	0.21%	3.77	-0.12%	(0.71)	-	-	-0.11%	(0.71)
Balance as at 31 March 2018	0.42%	5.22	0.35%	1.29	-	-	0.36%	1.29
10.Sterlite Tech Holding Inc.								
Balance as at 31 March 2019	0.01%	0.10	-0.05%	(0.30)	-	-	-0.05%	(0.30)
Balance as at 31 March 2018	0.20%	2.55	-0.06%	(0.23)	-	-	-0.07%	(0.23)
11.Sterlite Technologies Inc								
Balance as at 31 March 2019	0.02%	0.30	0.63%	3.66	-	-	0.56%	3.66
Balance as at 31 March 2018	-0.06%	(0.73)	-1.68%	-6.13	-	-	-1.73%	(6.13)
12. Share of Profit/(Loss) of Joint Venture								
Balance as at 31 March 2019		-	-	-	-	-	-	-
Balance as at 31 March 2018		-	-0.25%	(0.92)	-	-	-0.26%	(0.92)
Non controlling interest in all subsidiaries								
Balance as at 31 March 2019	2.78%	50.47	2.60%	15.04	-1.04%	(0.83)	2.16%	14.21
Balance as at 31 March 2018	6.52%	81.95	8.18%	29.80	-69.62%	6.31	10.17%	36.11
Total								
Balance as at 31 March 2019	**100.00%**	**1,814.70**	**100.00%**	**577.78**	**100.00%**	**79.57**	**100.00%**	**657.35**
Balance as at 31 March 2018	**100.00%**	**1,257.27**	**100.00%**	**364.13**	**100.00%**	**(9.07)**	**100.00%**	**355.06**

All eliminations and adjustments are netted off against balances of parent company for disclosure purpose.

Associate company is not considered for consolidation as the operations of the associate company is insignificant for the Group

Joint Venture with Metis Eduventures Private Limited is not considered for consolidation as the same is accounted as per Ind AS 109 (Refer note 2s(ii))

Note 55: Changes in Accounting Policies

The Group applied Ind AS 115 for the first time by using the cumulative catch up transition method of adoption with the date of initial application of April 01, 2018. Under this method, Group recognised the cumulative effect of initially applying the Ind AS 115 as an adjustment to the opening balance of retained earnings as on April 01, 2018. For all open contracts as on that date, comparative prior period has not been adjusted.

Particulars	Notes	01 April 2018 (₹ in crores)
Balances in retained earnings		875.61
Less: Adjustment on account of revenue recognition as per Ind AS 115	(i)	(19.54)
Add: Increase in Deferred Tax Assets	(i)	6.83
Balances in retained earnings after restatement		862.90

Note (i) :

Impact is mainly on account of :

1. Service warranty - . As per Ind AS 115, service warranty has been considered as a separate performance obligation and accordingly contract price has been allocated to such separate performance obligation resulting in an impact on estimated revenue & warranty cost recognised. There was no such requirement under Ind AS 11 and accordingly provision for warranty was recognised basis percentage of completion of contract.

2. Impact of variable considerations - As per Ind AS 115, variable consideration eg. liquidated damages and other penalties which are based on future events should be netted off against revenue and reassessed at every reporting period. Accordingly, such variable considerations have been adjusted against the contract price. Under the previous standard these were considered as a part of estimated contract costs .

3. Impact of bought out components - Under previous standard cost incurred on bought out components was considered in the calculation of the percentage of completion of network integration projects. As per Ind AS 115, revenue with respect to bought out components should be recognised equivalent to cost incurred to faithfully depict performance if all the prescribed conditions are met. Accordingly on transition margin on cost related to bought out component was derecognised.

4. Revenue recognition on transfer of control - Under the previous revenue recognition standards, revenue was recognised when the entity has transferred the significant risks and rewards of ownership of goods. Under Ind AS 115, revenue is recognised when entity satisfies a performance obligation by transferring control of a promised goods and service to a customer. As a consequence revenue with respect to cost incurred on construction work in progress is recognised on transition.

5. Milestone based accounting - As per Ind AS 115, there is change in the revenue recognition as compared to previous standard wherein revenue was recognised once milestones were achieved.

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The following table presents the amount by which each financial statement line item is affected in the current year ended March 31, 2019 by the application of Ind AS 115 as compared with the previous revenue recognition requirements. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Balance Sheet (Extract)	31 March 2019 (without adoption of Ind AS 115)	Increase/ (Decrease)	31 March 2019 (as reported)
Current assets			
Inventories	701.97	(112.32)	589.65
Trade receivables	1,226.00	128.86	1,354.86
Contract assets	-	1,093.51	1,093.51
Other current assets	1,582.80	(1,189.73)	393.07
Equity			
Other Equity	1,641.96	(3.17)	1,638.79
Total Equity	1,722.47	(3.17)	1,719.30
Non-current liabilities			
Provisions	24.31	(23.30)	1.01
Deferred tax liabilities (net)	76.09	(1.70)	74.39
Current liabilities			
Trade payables	1,872.42	40.33	1,912.75
Contract liabilities	-	270.36	270.36
Provisions	28.49	(17.03)	11.46
Other current liabilities	426.95	(345.18)	81.77

Statement of profit and loss (extract) year ended 31 March 2019	31 March 2019 (without adoption of Ind AS 115)	Increase/ (Decrease)	31 March 2019 (as reported)
Revenue from operations	5,109.90	(22.64)	5,087.26
Total Income (I)	5,129.84	(22.64)	5,107.20
Cost of raw material and components consumed	2,628.67	(37.35)	2,591.32
Other expense	961.61	0.04	961.65
Total Expense (II)	3,997.42	(37.31)	3,960.11
Earnings before interest, tax, depreciation and amortisation (EBITDA) (I) - (II)	1,132.42	14.67	1,147.09
Profit before tax	848.87	14.67	863.54
Total tax expenses	273.03	5.13	278.16
Profit for the year	568.24	9.55	577.79
Total comprehensive income for the year, net of tax	647.81	9.55	657.36

Presentation of assets and liabilities related to contracts with customers:

The Group also has changed the presentation of certain amounts in the balance sheet to reflect the terminology of Ind AS 115:

- Contract assets recognised was previously presented as a part of other current assets. Contract assets are in the nature of right to receive consideration which arises when entity satisfies a performance obligation but does not have an unconditional right to consideration as it has not reached the contractual billing milestone.

- Contract liabilities recognised was previously presented as a part of other current liabilities. Contract liabilities represent deferred revenue arising from revenue from network integration projects contracts. It also includes advance received from customers.

Notes
to consolidated financial statements for the year ended March 31, 2019

Note 56: Segment Reporting

The Group has only one operating segment which is Connectivity and Network Solutions. Accordingly, separate segment information is not required to be disclosed.

Geographical Information

Particulars	31 March 2019 (₹ in crores)	31 March 2018 (₹ in crores)
(1) Revenue from external customers		
- Within India	3,280.66	1,620.36
- Outside India	1,806.60	1,585.13
Total revenue per statement of profit and loss	**5,087.26**	**3,205.49**
(2) Non-current operating assets		
- Within India	2,253.60	1,332.05
- Outside India	633.72	259.05
Total	**2,887.32**	**1,591.10**

Non-current assets for this purpose consist of property, plant and equipment, capital work in progress, investment properties and intangible assets.

(3) Revenue from external customers

Revenue from two customers in India amounted to ₹ 1,293.15 crores (31 March 2018 is ₹ 360.02 crores).

Note 57: Previous Year Figures

The financial statements for the year ended 31 March 2019 incorporate the impact of the change in accounting policies as mentioned in Note 55. Thus, current year numbers are not comparable to previous year numbers.

As per our report of even date

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

Neeraj Sharma
Partner
Membership Number: 108391

Place: Pune
Date: April 23, 2019

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

Pravin Agarwal
Vice Chairman & Whole-time Director
DIN : 00022096

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: April 23, 2019

FORM AOC-1 - PART A

Statement Containing Salient Features Of The Financial Statement Of Subsidiaries / Associate Companies / Joint Ventures As Per Companies Act , 2013

₹ in crores

S. No.	Name of Subsidiary	Country of Incorporation	Reporting currency	Exchange rate (INR)	Share Capital	Reserve & Surplus	Total Liabilities	Total Assets	Investment	Turnover (Gross Revenue)	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend	% of Holding
1	Speedon Network Limited	India	INR	NA	1.55	9.18	41.36	52.09	0.02	26.23	0.62	0.24	0.38	-	100.00
2	Sterlite Telesystems Limited	India	INR	NA	0.02	(0.14)	0.17	0.05	-	-	(0.04)	-	(0.04)	-	100.00
3	Elitecore Technologies (Mauritius) Limited	Mauritius	MUR	1.97	0.14	0.40	0.37	0.91	-	0.94	0.07	0.02	0.05	-	100.00
4	Elitecore Technologies Sdn Bhd.	Malaysia	MYR	16.94	-	2.00	4.34	6.34	-	7.96	0.03	0.74	(0.71)	-	100.00
5	Sterlite Global Ventures (Mauritius) Limited	Mauritius	US$	69.15	67.02	55.48	0.37	122.87	118.43	-	51.61	-	51.61	-	100.00
6	Maharashtra Transmission Communication Infrastructure Limited*	India	INR	NA	28.20	(12.86)	98.48	113.82	-	4.52	(7.97)	-	(7.97)	-	59.47
7	Jiangsu Sterlite Tongguang Fiber Co. Limited	China	RMB	10.29	154.52	217.28	312.41	684.21	-	461.32	80.96	11.85	69.11	-	75.00
8	Sterlite Technologies UK Ventures Limited	UK	GBP	90.15	0.04	(1.32)	22.36	21.08	19.15	-	(0.34)	-	(0.34)	-	100.00
9	Sterlite Tech Holding Inc.	America	US$	69.15	-	(0.53)	17.06	16.53	-	-	(0.30)	-	(0.30)	-	100.00
10	Sterlite Technologies Inc	America	US$	69.15	-	(2.47)	16.63	14.16	-	-	3.66	-	3.66	-	100.00
11	Sterlite Conduspar Industrial Ltda	Brazil	Real	17.62	19.14	(25.67)	48.07	41.54	-	68.81	(4.07)	-	(4.07)	-	58.05
12	Sterlite (Shanghai) Trading Co. Limited	China	RMB	10.29	1.53	(0.51)	1.06	2.08	-	7.41	(0.01)	0.01	(0.02)	-	100.00
13	Sterlite Tech S.P.A.	Italy	EUR	77.60	40.22	4.00	337.94	382.16	373.28	-	(10.95)	(3.28)	(7.67)	-	100.00
14	Sterlite Innovative Solutions Limited	India	INR	NA	0.05	(0.02)	0.02	0.05	-	-	(0.02)	-	(0.02)	-	100.00
15	Sterlite Tech Connectivity Solutions Limited	India	INR	NA	0.05	(0.01)	0.01	0.05	-	-	(0.01)	-	(0.01)	-	100.00
16	Metallurgica Bresciana S.P.A.	Italy	EUR	77.60	56.18	200.83	194.21	451.22	12.61	169.14	14.71	3.74	10.97	-	100.00

* The figures for this company have not been consolidated as it has been classified as 'Asset held-for-sale' under IndAS

Notes
to consolidated financial statements for the year ended March 31, 2019

FORM AOC-1 - PART B

Statement Pursuant To Section 129(3) Of The Companies Act, 2013 Related To Associate Companies And Joint Ventures

S. No.	Name of Associate / Joint Ventures	Sterlite Conduspar Industrial Ltda
1	Latest audited Balance Sheet date	3/31/2019
2	Shares of Associate/Joint Ventures held by the Company on the year end	
a	Number	NA
b	Amount of investment (At face value)	19.14
c	% of holding	58.05
3	Description of how there is significant influence	By way of onwership
4	Reason why the associate / joint venture is not consolidated	Equity Method Of Accounting (Refer IND AS 28)
5	Networth attributable to shareholding as per latest audited Balance sheet	(6.53)
6	Profit/Loss for the year	(4.07)
a	Considered in consolidation	(2.37)
b	Not considered in consolidation	(1.71)

Note:- Only Direct Joint Venture /Associate Companies are considered.

1. Names of associate or joint ventures which are yet to comemnce operations :- Nil

2. Names of associate or joint ventures which have been liquidated or sold during the year :- Nil

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

Pravin Agarwal
Vice Chairman & Whole-time Director
DIN : 00022096

Anand Agarwal
CEO & Whole-time Director
DIN : 00057364

Anupam Jindal
Chief Financial Officer

Amit Deshpande
Company Secretary

Place: Pune
Date: April 23, 2019

Corporate Information

Board of Directors
Anil Agarwal
Pravin Agarwal
Dr. Anand Agarwal
A.R. Narayanaswamy
Sandip Das
Arun Todarwal
Kumud Srinivasan
Pratik Agarwal

Chief Financial Officer
Anupam Jindal

Company Secretary
Amit Deshpande

Leadership Team
Dr. Anand Agarwal
Group CEO and Whole-time Director

Anupam Jindal
Group Chief Finance Officer

Ankit Agarwal
CEO, Connectivity Solutions Business

KS Rao
CEO, Network Services Business

Anshoo Gaur
CEO, Network Software Business

Dr. Badri Gomatam
Group Chief Technology Officer

Gaurav Basra
Chief Strategy Officer

Anjali Byce
Chief Human Resources Officer

Manish Sinha
Chief Marketing Officer

Nischal Gupta
Chief Transformation Officer

Akanksha Sharma
Head - CSR and Sustainability

Ayush Sharma
Head - Programmable Networks & Intelligence

Jitendra Balakrishnan
CTO - Connectivity Solutions

Rajesh Gangadhar
Head - Wireless Broadband Converged Platforms

Phill Coppin
Head - Application Engineering

Richard Eichhorn
Head - SalesGlobal (Ex. India and China), Connectivity Solutions

Rahul Puri
Head - Sales India, Connectivity Solutions

Thomas Yang
Head - Sales China, Connectivity Solutions

Swati Rangachari
Chief of Corporate Affairs

Saurabh Kumar
Head - India Public Sales, Network Services

Girish Gupta
Head - India Pivate Sales, Network Services

Nikhil Jain
COO - Network Software

Juhi Hajela
Head - Corporate Communications

Pankaj Priyadarshi
Head Operations - Optical Fibre

Venkatesh Murthy
Head Operations - Optical Fibre Cable

Aldo Santus
Head Operations - Italy, Optical Fibre Cable

Ambica Rajagopal
Head - Data Science & Data Management

Balram Sharma
Head - Supply Chain Management, Network Services

Bankers
Axis Bank Ltd.
Bank of Baroda
Citi Bank
Corporation Bank
Deustsche Bank
Federal Bank
FirstRand Bank Limited
HDFC Bank Ltd.
ICICI Bank Ltd.
IDBI Bank Ltd.
IDFC Bank Ltd.
IndusInd Bank
Kotak Mahindra Bank Ltd.
RBL Bank Limited
Shinhan Bank
State Bank of India
Union Bank of India
Yes Bank Ltd.
UNICREDIT, Italy
BNL Paribas, Italy
UBI BANCA, Italy

Registered Office
E 1, MIDC Industrial Area, Waluj,
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Brazil, China, France, Germany, India, Italy, Ivory Coast, Malaysia, Mexico, Netherlands, South Africa, Sweden, UAE, UK, USA, Thailand, Indonesia, Philippines, Switzerland, Spain

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